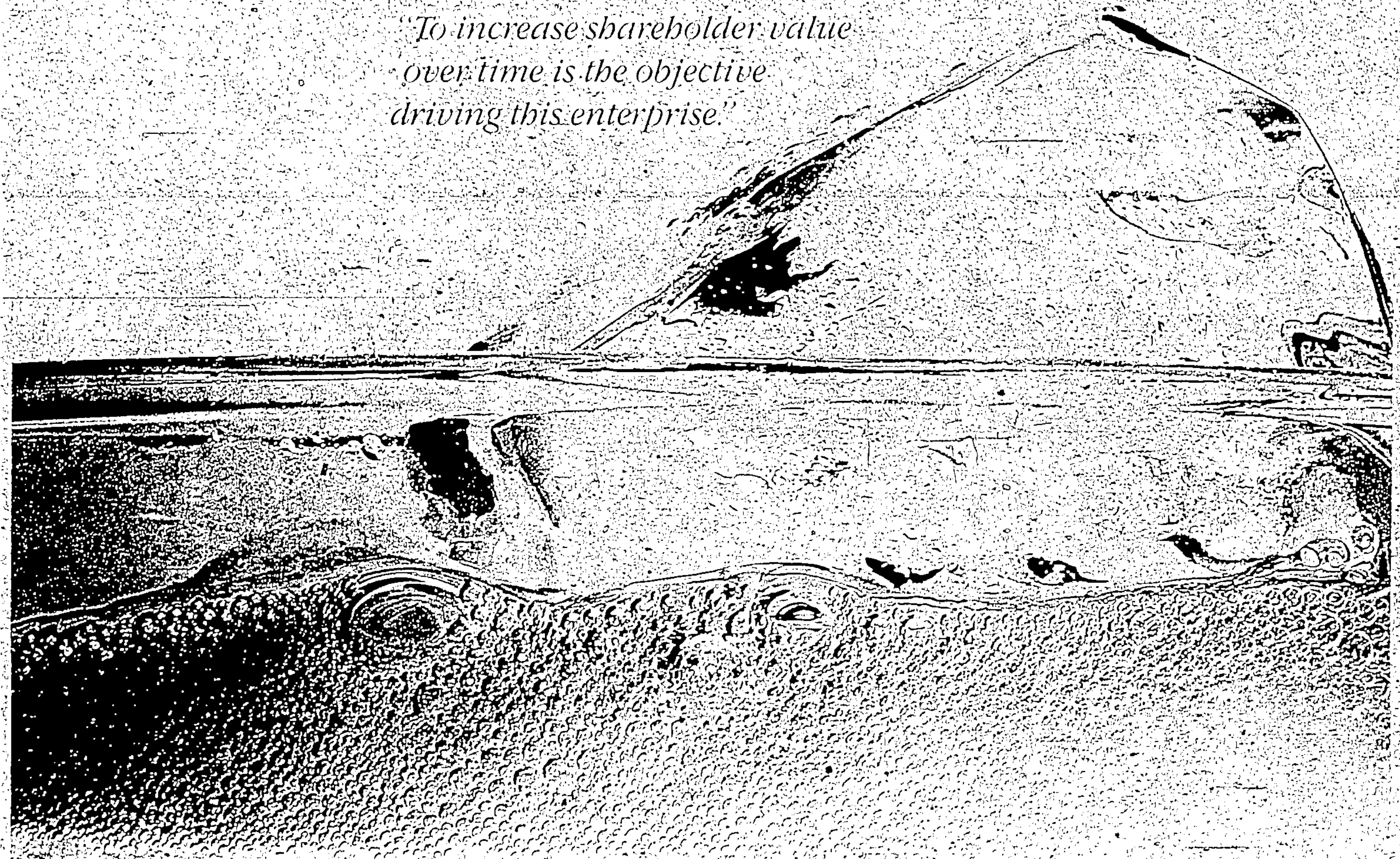
The Coca-Cola Company Annual Report 1984

"To increase shareholder value over time is the objective driving this enterprise."



Enjoy
Coca-Cola
Trade-mark ®

The Coca-Cola Company

The Coca-Cola Company is the world's leading soft drink company, one of the world's largest citrus m. keters, and a major producer and distributor of motion pictures and television programs. The Company's products are sold in more than 155 countries and include such widely known trademarks as Coca-Cola, diet Coke, TAB, Sprite, Fanta, Minute Maid, Five Alive and Hi-C. In 1984 the Company's entertainment business released such films as "Ghostbusters," "The Karate Kid," "A Soldier's Story" and "A Passage to India," produced "T.J. Hooker" and other television series, and released for syndication programs such as "Hart to Hart."

Contents

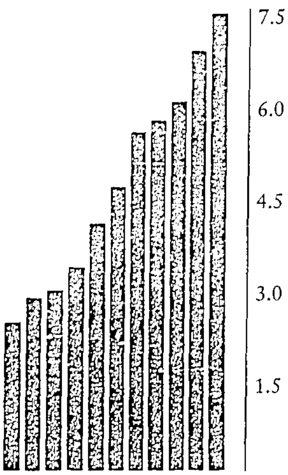
Financial Highlights

(In millions except per share data)

The Coca-Cola Company and Consolidated Subsidiaries

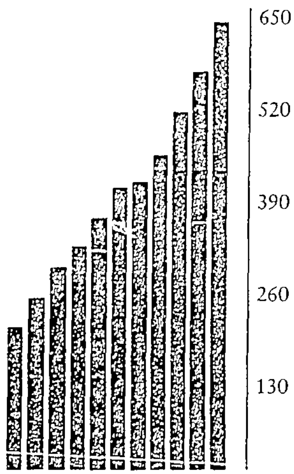
Year Ended December 31,	1984	1983	% Change
Net operating revenues	$7,364.0	$6,829.0	7.8 %
Operating income	$1,057.5	$ 992.6	6.5 %
Income from continuing operations before income taxes	$1,068.0	$1,000.3	6.8 %
Income from continuing operations	$ 628.8	$ 558.3	12.6 %
Income per share from continuing operations	$ 4.76	$ 4.10	16.1 %
Dividends per share	$ 2.76	$ 2.68	3.0 %
Shareholders' equity at year-end	$2,778.1	$2,920.8	(4.9)%
Income from continuing operations to net operating revenues	8.5%	8.2%	
Income from continuing operations to average shareholders' equity	22.1%	19.6%	

Net Operating Revenues
($ Billions)



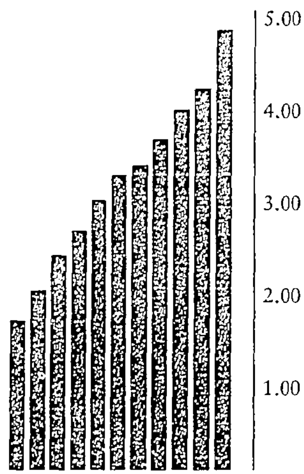
1974-1984

Income From Continuing Operations
($ Millions)



1974-1984

Income Per Share From Continuing Operations *($)*



1974-1984

To Our Shareholders:

e are committed to a culture change... which will only serve enhance the basic values of ess."

In the spring of 1981, the management of your Company set a clear-cut strategy—to increase the value of your investment in The Coca-Cola Company. With the strongest gain in earnings per share in eight years and a significant increase in return on average shareholders' equity to 22.1 percent, 1984 was a year of progress toward this primary corporate objective.

From April 1, 1981, through year-end 1984, the total return on your investment, stock price appreciation plus dividends, was 95 percent, compared with 42 percent for Standard and Poor's index of 500 stocks. This growth in value largely results from our efforts to further strengthen the Company by capitalizing on our considerable resources. These resources include the world's best-known trademarks, unparalleled distribution systems, marketing capabilities second to none, exceptional financial strength, and a dedicated management and employee team.

For details of the Company's 1984 performance, we direct your attention to the financial section of this report and to the pages that describe each business sector's operations. Highlights for the year included a 16.1-percent increase in income per share from continuing operations to $4.76, and a gain of 12.6 percent in income from continuing operations to $629 million. Operating income of over $1 billion in 1984 was the highest in the Company's history, up 6.5 percent from 1983.

Our increased earnings per share benefited from operating income gains from our business sectors, combined with fewer outstanding shares and a reduced effective tax rate. Our strong 1984 per-share achievement is particularly gratifying because it came in a year of significant marketing and capital investments for future growth.

In the soft drink business, our renewed competitive thrust increased our worldwide share to over 35 percent, more than twice that of our nearest competitor. We are introducing new products, supporting our products with bolder, more aggressive marketing, and revitalizing our bottler system. The success of diet Coke has given the Company and our bottler system the leading position, worldwide, in the burgeoning low-calorie market.

Our soft drink unit volume rose 6 percent worldwide in 1984, 10 percent in the North America Soft Drink Business Sector and 4 percent in the International Soft Drink Business Sector. Total soft drink operating income grew at a slower rate, up 2 percent, due to two factors—increased marketing investments in the United States and the translation of local currency results into dollars at rates well below 1983 levels. The currency translation effects limited results in Europe and Africa. However, operating income in the Pacific and Latin America increased more than 10 percent and 29 percent, respectively.

Roberto C. Goizueta (left), Chairman, Board of Directors, and Chief Executive Officer, with Donald R. Keough, President and Chief Operating Officer

…ur more aggressive financial [illegible] enable us to take advan- …ge of high-return opportunities …thin our existing lines of [illegible]

Diet Coke, a product only two years old, accounted for 8 percent of our 1984 worldwide soft drink volume. The number one low-calorie soft drink in the United States, diet Coke became this country's third largest-selling soft drink of any kind in 1984. It was introduced in 10 major markets last year, with a number of additional introductions planned for 1985. Diet Coke is capturing the developing low-calorie business in 41 markets, selling at more than 15 percent of Coca-Cola sales in many of those countries.

We demonstrated a more assertive marketing stance in 1984 with strong competitive advertising for Coke, Sprite and our caffeine-free colas. And the ability of our U.S. bottler system to implement marketing strategies swiftly was evidenced by the December rollout of diet Coke with 100-percent aspartame, which was available virtually nationwide within one month.

We invested more than $100 million last year in strategically important bottling operations to ensure that our bottling system is both committed and positioned to achieve growth goals consistent with ours. One of the year's largest transactions was the Company's purchase of bottling operations for southern England, including the important London market. In the United States, we acquired The Akron Coca-Cola Bottling Company and several other bottling operations contiguous to existing Company-owned territories. Since 1981, we have facilitated bottler ownership changes valued at about $3 billion.

Our Foods Business Sector continued its growth in 1984, posting a 14-percent increase in operating income to $138 million. It further leveraged its distribution systems with new products by expanding its frozen, chilled and aseptically packaged product lines during the year.

Minute Maid orange juice, the number one product of any type in the supermarket frozen foods section, posted another year of category leadership and record share of more than 25 percent. Minute Maid chilled orange juice successfully responded to intense competition with a share of about 18 percent.

Nine products were introduced in aseptic packaging last year, including a range of Minute Maid juices and flavors for Hi-C and Five Alive. Most of the sector's $40 million in 1984 capital investment was used to increase aseptic production capacity, reflecting the growth potential of this rapidly expanding packaging category.

The Entertainment Business Sector increased operating income 34 percent in 1984 to $121 million. Television, which contributed more than half the sector's earnings, continued its excellent trends with the syndication of "Hart to Hart" and "Benson." A successful program of film production and distribution, highlighted by the record-breaking "Ghostbusters," generated significant growth in film earnings.

To maximize its film distribution capacity, Columbia Pictures is increasing the number of films it produces annually. Central to this strategy are equity and licensing agreements that reduce the financial risk of film production. By involving investment partners and by pre-licensing films to ancillary markets, we have nearly doubled the number of films distributed without a dramatic increase in internal production expenditure risk.

Tri-Star Pictures released its first 17 films in 1984, earning Columbia significant distribution fees. Together, Columbia and Tri-Star released 30 films last year, up from 12 distributed by Columbia in 1983. Positive benefits from our strategy to increase film production should be realized in 1985 and 1986.

The Company's more aggressive financial policies were a significant factor in the year's increased return on equity and earnings per share. We completed the repurchase of six million shares of our common stock during the year, not only benefiting returns, but indicating strong confidence in our operations. The repurchase was completed at an average cost of about $55 per share.

We utilized more low-cost debt to fund our investment programs by going to the European financial markets three times with successful debt issues of $100 million each. We borrowed at lower rates than rates on U.S. Treasury obligations of like maturity, an indication that The Coca-Cola Company is regarded as one of the most attractive credits in the world.

At its February 21, 1985, meeting, the Board of Directors increased the quarterly dividend to 74 cents, equivalent to a full-year 1985 dividend of $2.96 per share and 7-percent higher than 1984's dividend. This is the 23rd consecutive year your Board of Directors has approved dividend increases. In 1984 we improved the Company's Automatic Dividend Reinvestment Plan by offering greater flexibility and cost savings in acquiring additional shares of Company stock through reinvested cash dividends and optional cash investments.

Last year Robert W. Woodruff, after completing an unparalleled 61 years as a full-time member of our Board of Directors, was elected the Company's first and only Director Emeritus. Mr. Woodruff's keen instinct and perceptive insight over six decades have guided this Company during the best of times and the worst of times, and today it stands as one of the strongest in world commerce.

C.H. Candler, Jr., also did not stand for re-election to the Board in 1984. We are grateful for his more than 25 years of dedicated service and for the Candler legacy associated with the Company.

We were deeply saddened by the death in July of Dr. E. Garland Herndon, Jr., who had served with distinction as a director since 1974. His wise counsel is missed.

In December the Board elected as a director Dr. James T. Laney, president of Atlanta's Emory University since 1977. We are fortunate to have his expertise and wisdom as we chart the future of this Company.

Our primary objective will continue to be the maximization of shareholder value. We will manage our businesses to generate earnings growth and improved returns. We plan to reinvest a greater portion of our resources in projects and investments that strategically augment and leverage our operations—investments where the long-term cash returns on invested capital exceed our overall cost of capital. In making such investments, we have no plans to venture outside our three lines of business, as there are significant growth opportunities in these businesses.

A paramount objective is to increase international per capita consumption of soft drinks to rates well above their present, relatively low levels. By investing in vending and fountain equipment, helping to restructure bottler systems, developing emerging categories like low-calorie, and achieving greater acceptability for soft drinks as all-occasion beverages, we expect to progressively raise per capita consumption.

In our Foods Business Sector, we are striving for greater utilization of our existing distribution system by adding new products in fast-growing frozen-food categories. In Entertainment, we will continue to increase our participation in growing ancillary markets through joint ventures and other arrangements. When the Company's resources exceed our investment requirements, we will again consider share repurchases.

While every year presents obstacles outside our control, such as the rising value of the U.S. dollar, the underlying health of our business has never been stronger. With the solid strategic positioning we have attained, we are optimistic about having another good year in 1985.

All our associates at The Coca-Cola Company join us at this time to thank you for your support and to express our pride of being employed in this great Company.

Roberto C. Goizueta
Chairman, Board of Directors,
and Chief Executive Officer

Donald R. Keough
President and
Chief Operating Officer

February 21, 1985

Operations Review

"All sectors of our business contributed to strong growth in 1984. Momentum is a valuable asset."

Soft Drink Business Sectors

The Coca-Cola Company's soft drink business enjoyed exceptional growth in 1984 with a 6-percent gain in combined unit volume and an increase in worldwide share to more than 35 percent. Operating income from the Company's two soft drink sectors totaled $880 million in 1984, up 2 percent, and represented 77 percent of total operating income from the Company's four business sectors.

North America Soft Drink Business Sector

In the North America Soft Drink Business Sector, soft drink unit volume increased 10 percent, twice the combined growth of the U.S. and Canadian soft drink markets, surpassing strategic goals for unit volume and market share.

Coca-Cola USA—the sector's largest division—maintained strong momentum in all market segments, led by large volume increases for diet Coke, Sprite and diet Sprite. The division's overall volume gain of 10 percent, double the industry's 5-percent growth rate, increased its share of domestic soft drink sales to 37 percent. Unit volume in both the bottle/can and fountain segments increased at rates in line with the overall gain.

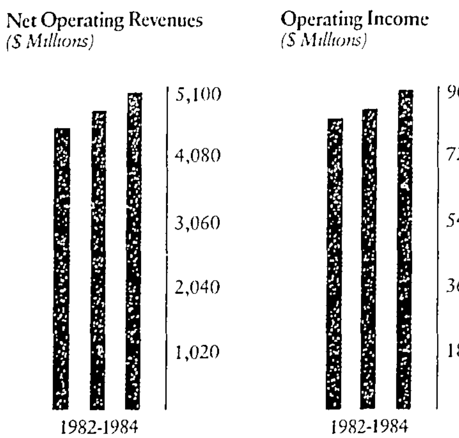
Major marketing opportunities in 1984 included the Summer Olympic Games, product reformulations and new fountain business. These investments enhanced overall brand image and longer-term volume and profit potential, while moderating growth in 1984 operating income. Nevertheless, net income from the domestic soft drink business increased significantly in 1984, continuing the strong net income growth of the previous three years.

Coca-Cola USA increased unit sales and share in foodstores, attained strong unit sales gains in vending and all other bottle/can segments, and achieved its highest volume and largest volume increase ever in fountain unit sales. The foodstore business segment accounts for about 35 percent of the Company's U.S. volume, all other bottle/can segments represent approximately 32 percent, and fountain represents about 33 percent.

In 1984 Coca-Cola USA further strengthened its business leadership through vigorous consumer marketing, continued restructuring of the bottler and wholesaler systems, technical innovation and increased emphasis on human resources.

To bolster consumer marketing, Coca-Cola USA aggressively managed its product line in 1984. Unit volume for Coca-Cola increased 4 percent, maintaining a sizable lead for the nation's number one soft drink. The popular "Coke is it!" advertising campaign was refined, and a number of new commercials targeted to various consumer groups were released.

Soft Drinks



Diet Coke, the leading low-calorie soft drink in the United States and the country's third best-selling soft drink of any kind, capped another year of rapid growth with a new sweetener formulation of 100-percent aspartame.

'We will remain the leader of oft drink technology in pack- iging, ingredients, distribution ystems, and sales equipment.'

Whether at home or on the go, Coca-Cola is the largest-selling soft drink in the United States and the world.

Slice-of-life commercials for young and old alike showed Coke as "the one you grow up with." Music-video style ads were aimed at youth, and competitive spots with Bill Cosby focused on the less sweet taste of Coke.

Diet Coke, the number one low-calorie soft drink in the United States, posted a second year of unparalleled growth and achieved the number three ranking among all U.S. soft drinks. Unit volume of diet Coke rose more than 60 percent, and its margin of market leadership widened in all segments. In the fourth quarter, Coca-Cola USA launched diet Coke with a 100-percent aspartame sweetener formulation and a new advertising campaign focusing on the brand's superior taste and contemporary positioning.

After only a year in the market, caffeine-free diet Coke emerged as the nation's number one low-calorie caffeine-free cola and the fastest-growing brand in its category.

Combined sales of diet Coke, caffeine-free diet Coke, TAB and caffeine-free TAB gave Coca-Cola USA a pre-eminent share of the low-calorie cola category—20 percentage points ahead of their nearest competitor. Together these products accounted for nearly half of 1984 foodstore sales of low-calorie colas—the industry's fastest-growing segment.

For TAB, a new sweetener formulation and broader marketing positioning were initiated. The crisp, distinctive taste of TAB was improved by an aspartame-saccharin blend launched mid-year along with bolder, brighter packaging. The current "TAB's Got Sass" ad campaign was introduced to communicate the brand's unique taste, brand perception and heritage.

Coca-Cola USA increased its lemon-lime volume and share through aggressive marketing of Sprite and diet Sprite. Already the leading lemon-lime soft drink in fountain sales, Sprite further advanced its position when it was authorized by McDonald's for all its 6,500 U.S. restaurants. Total volume for Sprite grew nearly 30 percent. Volume for diet Sprite increased more than 50 percent, with further gains expected following a change to 100-percent aspartame.

Under the Company's bottler system restructuring program, the Company participates directly or indirectly in changes in bottling company ownerships to ensure a strong, financially sound and responsive distribution system. In 1984 the Company acquired bottlers in Ohio, Michigan, Oregon and California to strengthen adjacent Company-owned operations, while major independent bottling companies in other areas changed ownership. Since 1980 the Company has facilitated ownership transfers of bottling companies accounting for 50 percent of U.S. volume.

In line with its strategy to maintain technological leadership, Coca-Cola USA took a number of steps during 1984 to develop new distribution, vending, and packaging systems.

After performing successfully at 15,000 West Coast outlets, bag-in-box non-returnable fountain syrup packaging systems were made available nationally. The disposable bag-in-box offers foodservice personnel the same convenience that plastic bottles and aluminum cans offer consumers—a one-way alternative to the returnable container. Bag-in-box provides easier handling, shipping and storing than the traditional stainless steel syrup containers and represents significant savings in capital investments for the Company.

A futuristic computerized vending machine, in final stages of development, features a video display screen, voice simulation and coupon dispensing, and offers consumers a choice of products in several sizes and prices.

Caffeine-free diet Coke emerged as the number one caffeine-free diet cola in the United States last year, while the distinctive taste of TAB was improved with a new sweetener blend of aspartame and saccharin. Caffeine-free Coke and caffeine-free TAB provide consumers the option of enjoying their favorite soft drinks without caffeine.

For the home market segment, Coca-Cola USA introduced three-liter plastic bottles for its eight major products. Available in more than 40 percent of the country in January 1985, the new package rates high with consumers in value and convenience.

Following a 1983 agreement with Petainer S.A. of Neuchatel, Switzerland, to develop new concepts in plastic packaging, in-home testing of a can-shaped plastic container began in November 1984. Initial market testing is scheduled for early 1985.

In sweetener formulation developments, Coca-Cola USA authorized an increase of up to 100-percent high fructose corn syrup (HFCS-55) in Coca-Cola and caffeine-free Coke. While assuring highest product quality, the move provides bottlers greater flexibility in dealing with sweetener availability and cost.

While reaffirming its commitment to multiple sweetener options including saccharin, the Company secured a supply agreement for aspartame from G.D. Searle & Co. for use in low-calorie soft drinks.

The sector's Canadian operating unit, Coca-Cola Ltd., showed a slight 1984 operating profit increase on a 6-percent unit volume gain, double the Canadian soft drink industry's 3-percent growth rate. In the fourth quarter, strong marketing programs brought a volume gain of 13 percent.

To strengthen its leadership position in Canada, the division took a number of aggressive steps, including the successful third-quarter launch of Minute Maid Orange Soda, which capitalizes on one of the best-known trademarks in food marketing. In markets covering 40 percent of the Canadian population, initial sales of Minute Maid Orange Soda showed very favorable consumer acceptance. Plans for wider geographic distribution and expanded fountain sales of the new product remained under review at year-end.

Overall 1984 performance by the North America Soft Drink Business Sector established high standards for 1985 and beyond. The sector's 10-percent volume gain in 1984 was double its 10-year average of 5 percent. With total industry soft drink volume expected to grow again in 1985 at its long-term rate of about 4 percent, Coca-Cola USA and Coca-Cola Ltd. are strongly positioned for expanded volume in excess of industry levels.

Among Coca-Cola USA's citrus-flavored soft drinks is the popular Mello Yello. Diet Sprite and seven other domestic products were offered in convenient and economical three-liter plastic bottles in 1984, while in Canada Minute Maid Orange Soda was introduced successfully to 40 percent of the country's consumers.

By the end of 1984, diet Coke, called Coca-Cola light in some countries, was available in 41 markets. In Japan, the nation's first sugar-free soft drink gained swift consumer acceptance.

International Soft Drink Business Sector
In the International Soft Drink Business Sector, unit volume grew 4 percent in 1984. Operating income increased only modestly, because the continued strengthening of the U.S. dollar penalized the translation of local currency results.

A long-term strategic objective for the sector is to achieve growth by increasing per capita soft drink consumption, which is only 15 percent of the U.S. level. To encourage more consumers to drink more of its products more frequently, the Company is focusing on greater product availability, product variety, and improved product positioning against alternative beverages. Key growth categories include low-calorie, lemon-lime and cola.

The low-calorie segment is the least developed international soft drink category, and shifting demographics and consumer attitudes indicate strong growth potential. The Company's international low-calorie volume has grown to represent 2 percent of total international unit volume, primarily due to diet Coke.

In 1984 international unit volume for diet Coke increased 105 percent. Diet Coke was introduced in 10 major countries last year, bringing total availability to 41 markets, and it will continue to be expanded aggressively in 1985.

"Our approach o t ional growth is si e build er capita consum rket-by-mar e "

In major international markets where diet Coke is available, it is selling at an average of 8 percent of Coca-Cola sales. In Norway, Denmark and Switzerland, diet Coke is selling at more than 15 percent of Coke, and in Ireland, Australia, South Africa and Japan, diet Coca-Cola outsells the primary brand of the Company's largest competitor. In Japan, where it was introduced last April as Coca-Cola light, the product has a 68-percent share of the low-calorie carbonated soft drink segment, which grew more than 200 percent in 1984.

In the lemon-lime category, the Company's international per capita consumption is 11 percent of the U.S. level. With a modest 21-percent share of the segment, primarily with Sprite, the category represents a major growth opportunity.

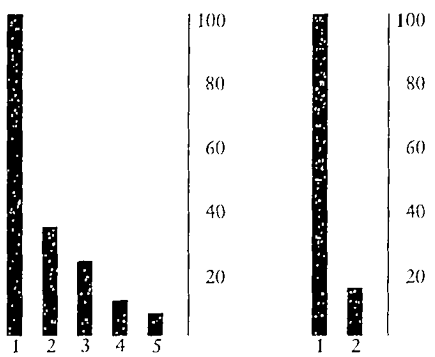
Available in two-thirds of the Company's international markets, Sprite is being expanded and marketed aggressively. A new international advertising campaign – "So clear! So right! So Sprite!" – was released in the second quarter, and marketing spending for Sprite was up significantly for the year. Sprite case sales rose 7 percent in 1984.

Sprite volume increased more than 30 percent in Argentina due to strong marketing support and increased 22 percent in the Philippines. In Mexico, where availability was expanded in 1984, Sprite volume increased 71 percent. Available in 1983 in only five bottling territories, Sprite was rolled out last year in 16 additional territories covering half the Mexican market, including Mexico City. By the end of 1985, Sprite will be available to the vast majority of consumers in Mexico, the Company's second-largest market by volume after the United States.

For Coca-Cola, which accounts for 69 percent of the Company's international volume, unit volume increased 4 percent last year. To increase per capita consumption, the Company is directing efforts toward increasing use occasions and achieving wider availability through vending machines and fountain outlets. Advertising Coke with food, offering larger package sizes, and developing the caffeine-free cola segment are additional consumption-building steps.

Greater vending machine market pen etration can significantly expand consumption, but with the exception of Japan, where it already accounts for 44 percent of Company product sales, vending has not yet been a major factor internationally. One obstacle has been the capital required by bottlers to expand investment in vending machines. Funds available from Coca-Cola

Soft Drink Industry Per Capita Consumption*
(As a percentage of U.S. rates—1984)



1 United States
2 Latin America
3 Western Europe
4 Pacific
5 Africa

1 United States
2 Total Non-U.S.

*Excludes USSR, China, India

Sprite is being aggressively expanded and marketed to capitalize on the international growth opportunity in the lemon-lime category. In Mexico, the Company's second-largest market by volume, Sprite availability was extended to bottling territories covering half the nation's market.

Financial Corporation, which began operation in 1984, should benefit vending development.

The Company's international fountain, or post-mix, business, still far from its potential at about 5 percent of international volume, posted 8-percent higher volume in 1984. Equipment investment is also a major factor in developing this segment, combined with the rapid evolution of the international fast-food industry.

Both factors played key roles in some of the largest fountain volume gains last year, particularly in Korea and Thailand where fountain unit volume increased 39 percent and 44 percent, respectively. In Italy, where 80 percent of the Rome and Milan fountain business is in bag-in-box, extensive additional equipment investments and effective merchandising and advertising led to a 32-percent volume gain.

The convenience and economy of larger packages are factors in increasing consumer popularity as well as higher per capita consumption levels. In 1984 nearly 6 percent of the Company's international volume was in packages larger than one liter, up from just over 1 percent in 1980. Last year Japan introduced the 1.5-liter plastic bottle for Coke light and Sprite, while sales of Coca-Cola and Mello Yello in the package doubled. In Belgium sales of Company products in 1.5-liter and 2-liter bottles,

"We are revitalizing our bottler system to execute a strategy of increased availability, awareness and consumption."

The Company invested more than $100 million in its bottler system restructuring program last year, including the purchase of bottling operations for southern England and its important London market.

available since 1980, represented 23 percent of the country's 1984 sales, and in New Zealand 1.25- and 2-liter packages accounted for 50 percent.

In addition to marketing factors, a major element for international growth is building strong bottler management to ensure full commitment to a strategy of increased product availability, product awareness, and per capita consumption.

In 1984 the Company sold bottling facilities in Japan and Australia to aggressive local operators. It purchased the southern United Kingdom territory, which includes the critically important London market. The Company installed new management and is looking for significant improvements in per capita consumption, which was 20 percent of Western European levels. The Company also has played key roles in recent years in bottler ownership changes in Germany, Greece, Venezuela and the Philippines.

Looking at 1984 performance geographically, strong volume and profit gains were posted in Latin America and the Pacific. In Europe and Africa the currency translation penalty of a strong dollar, as well as lower shipments to Nigeria, resulted in only a small gain in unit volume and a decline in operating income.

The continued increase in the dollar's value against key European currencies effected an 8-percent decline in operating

income for Europe and Africa. Volume increased 1 percent, limited largely by 59-percent lower volume in Nigeria, a country with erratic shipment patterns due to governmental import restrictions. Sluggish economic conditions held volume gains at 3 percent or less in Germany, South Africa and Spain, while Italy's volume grew 5 percent, benefiting from strong performances in marketing, packaging and post-mix.

The Pacific continued to generate excellent results with an 8-percent increase in unit volume and 10-percent higher operating income. Volume gains were led by 16 percent in the Philippines, where the Company has recaptured market leadership and in three years has doubled volume, and 13 percent in Korea. Japan, the Company's third-largest market with 6 percent of total volume, posted volume growth of 5 percent. In Australia a strengthened economy contributed to a volume gain of 7 percent.

Improving operating environments in key Latin American markets contributed to a 6-percent increase in volume and 29-percent growth in operating income. Argentina showed the largest volume gain, up 33 percent due to relatively low prices for Company products from continued price controls. An improving economic environment in Brazil contributed to a 17-percent volume gain. Unit volume increased 3 percent in Mexico, where easing of price controls benefited margins and contributed to strong profit growth.

In 1985 Coca-Cola will be available in the Soviet Union, a market of 275 million people. As the result of agreements announced in January, Coca-Cola first becomes available through Western-currency shops to tourists, the diplomatic corps and other foreign visitors. Later in 1985, Soviet consumers will be able to purchase Coca-Cola in Moscow and several other Soviet cities. Coca-Cola joins Fanta Orange as Company products in the Soviet marketplace. Other new markets for Coca-Cola include Sudan, Congo and the German Democratic Republic.

Historically, the Company has achieved a 10-year average growth rate in international unit volume of 6 percent, compared to an industry average of 4 to 5 percent. The International Soft Drink Business Sector's programs to build per capita consumption and strengthen its bottler network are designed to enable the Company to exceed its historic growth rate and continue to outperform the industry.

The Company and its international bottlers market a variety of products that respond to local consumer demand, including caffeine-free Coke in Germany, Thailand's Mello Yello, Fanta Peach in Colombia, Japan's Georgia Coffee and Spain's non-carbonated Fanta Orange in aseptic packaging.

Foods Business Sector

> “[illegible]e are enh[illegible]cing our gro[illegible]th potential w[illegible]th new [illegible]od packages a[illegible] businesses aimed at speci[illegible] co[illegible]mer preferences.”

Coca-Cola Foods, the largest operating unit within the Foods Business Sector, achieved record sales and profits in 1984. Net revenues for the sector grew 14 percent to nearly $1.5 billion, while operating income grew 14 percent to nearly $138 million. Minute Maid frozen concentrated orange juice remained the market leader with another record share of the category, while emerging products such as aseptically packaged juices and drinks grew significantly.

American consumers spent almost $6.5 billion on fruit juices and drinks last year, and Coca-Cola Foods was the principal supplier of these beverages with more than 26 percent of the total U.S. juice and fruit drinks category.

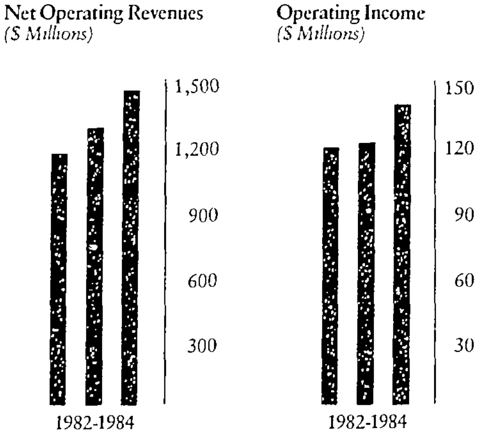
Unit volume for the Company's citrus products declined slightly last year because of two major factors, a devastating freeze on Christmas Day 1983 and heavy market spending by competitive brands. The freeze destroyed 40 percent of the Florida orange crop, causing a severe shortage of oranges for processing and significantly increasing their cost. In the face of a number of severe Florida freezes in recent years, Coca-Cola Foods has been strengthening its supply options by working with Brazilian growers who process fresh fruit according to Minute Maid specifications and then ship concentrate to Coca-Cola Foods plants for blending and packaging.

At the same time, competitive brands introduced in 1983 were supported last year by significant advertising and promotional spending. Consequently, much of 1984 was spent in an intense battle for market share, while the overall orange juice category declined slightly because of higher prices and reduced availability. Nevertheless, the Minute Maid brand remained the industry leader, reaching a record 24 percent of the orange juice category by year-end.

Minute Maid frozen concentrated orange juice experienced a significant increase in share despite a category decline. Part of this share growth is attributable to increased sales of Minute Maid reduced acid orange juice and Minute Maid frozen concentrated orange juice with more pulp. The two products increased in importance last year to reach a combined total of 5 percent of the overall frozen orange juice category.

In order to strengthen the position of chilled Minute Maid orange juice from concentrate, Coca-Cola Foods successfully

Foods



At the end of 1984, nearly one of every three glasses of orange juice made from frozen concentrate in the United States was Minute Maid, by far the category leader.

tested a new 96-ounce Pure Pak container which appeals to heavy orange juice drinkers and a chilled form of the successful "with more pulp" product. The division also expanded the Minute Maid brand by introducing Minute Maid orange juice in shelf-stable aseptic packages.

In December Coca-Cola Foods unveiled a strong new advertising campaign for Minute Maid orange juice—"Minute Maid knows how to get the best out of an orange." The campaign features Richard Thomas and his family, including three-year-old identical triplet daughters. Thomas, known for his television role as John Boy in "The Waltons," is the first spokesperson for Minute Maid since Bing Crosby.

Throughout 1984 Coca-Cola Foods placed considerable emphasis on the quality of its flagship product, Minute Maid orange juice. Results of these efforts will be manifest in 1985 with the reintroduction of an improved "with more pulp" product called "Country Style—more juicy bits of orange" in both frozen and chilled forms.

The Minute Maid ades line grew significantly in 1984, earning a 37-percent share. Growth was spurred in part by the introduction of Minute Maid frozen concentrate for fruit punch, a complement to chilled Minute Maid fruit punch, which has been marketed since 1976. Following the success of the new, all-natural frozen punch, Minute Maid fruit punch also was introduced in aseptic packaging in 1984.

Single-serving aseptic packages continued to provide new business for Hi-C fruit drinks, achieving a 30-percent volume gain as the "Drink Box" grew in popularity among young consumers. Coca-Cola Foods introduced three new flavors of Hi-C in the Drink Box: Hi-C cherry-flavored drink, Hi-C peach-flavored drink, and Hi-C wild berry drink. Hi-C has consistently expanded its share of the aseptic fruit drink segment over the past three years, and in 1984 the "Drink Box" posted an all-time high share of almost 28 percent.

In addition to its principal citrus products, Coca-Cola Foods markets other juice and fruit drinks including Five Alive refreshment beverages, Bright & Early breakfast beverage and various Minute Maid variety juices. In keeping with its strategy to leverage its distribution system with new products, Coca-Cola Foods expanded several

Volume for the Company's coffee business increased more than 2 percent last year, and Minute Maid reduced acid orange juice contributed to share gains for the Minute Maid brand. Hi-C Hula Cooler and Minute Maid Pink Lemonade also contributed to share gains for the sector.

The popularity of Hi-C in the Drink Box among youngsters has brought steady gains in the Company's share of aseptic fruit drink sales, which reached a record 28 percent last year.

“The distributio eac of our
foods business key ass
and we are inten o fu ly
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Growth in the Minute Maid ades line, a key contributor to Coca-Cola Foods' 1984 performance, was bolstered by the introduction of the all-natural Minute Maid frozen concentrate for fruit punch.

product lines during 1984. These included the introduction of Five Alive citrus beverage and berry-citrus beverage in aseptic packages, and the national expansion of Bright & Early in chilled form in 64-ounce cartons. Minute Maid apple juice and grape juice were introduced in aseptic packages, and chilled Minute Maid grapefruit juice and apple juice were expanded nationally.

In citrus foodservice, a new citrus sales team, patterned after the successful Coca-Cola USA Fountain group, has increased foodservice volume by more than 60 percent in the past two years. As a result, Minute Maid orange juice is now sold in such chains as Denny's, Carl's Jr., Days Inn and Marriott.

The Coca-Cola Foods coffee business saw improvements in two areas. New decaffeinated roast-and-ground coffees introduced under both the Maryland Club and Butter-Nut brands contributed to a retail business upturn, while increased focus on coffee foodservice business brought volume growth. Total unit volume for coffee was up more than 2 percent for 1984.

Belmont Springs Water Company, Inc., maintained its position in 1984 as the leading bottled water marketer in Boston, where the company is headquartered. Belmont Springs water is sold principally through home deliveries and to offices and commercial businesses. In 1984 the company's sales volume grew 25 percent.

Presto Products Incorporated, based in Appleton, Wisconsin, markets household consumer goods such as plastic wraps, disposable trash bags and health and beauty aids. Presto also supplies products such as plastic cutlery and drinking straws to commercial foodservice outlets and institutional facilities. During 1984, Presto's revenues were up 14 percent.

Looking to the future, the Foods Business Sector expects to achieve continued strong growth through three principal means. First, it will expand sales of its primary products—Minute Maid orange juice and ades and Hi-C fruit drinks—faster than industry growth; it will expand its products to new channels of distribution; and it will broaden its operating base through product-line extensions and the addition of new product categories.

Among Coca-Cola Foods' successful introductions last year were Five Alive refreshment beverages in popular aseptic packaging and decaffeinated roast-and-ground coffees for both the Maryland Club and Butter-Nut brands. Chilled Bright & Early in 64-ounce cartons and chilled Minute Maid apple juice both achieved national availability in 1984.

"A key strategy is to leverage olumbia's distribution system y significantly increasing ntertainment product moving rough it."

The Entertainment Business Sector achieved a number of strategic and financial objectives in 1984. The sector—whose major operations are Columbia Pictures, Columbia Pictures Television Group, and participation in Tri-Star Pictures—improved its performance substantially. As a result, the sector earned $121 million in operating profit, an increase of 34 percent.

The sector also strengthened its foundation for growth by pursuing the strategies that led to last year's excellent performance: increasing profitability without significantly increasing capital risk; increasing production and maximizing the efficient use of distribution systems; extending participation in ancillary markets; and increasing ownership of filmed entertainment product and involvement in new distribution methods.

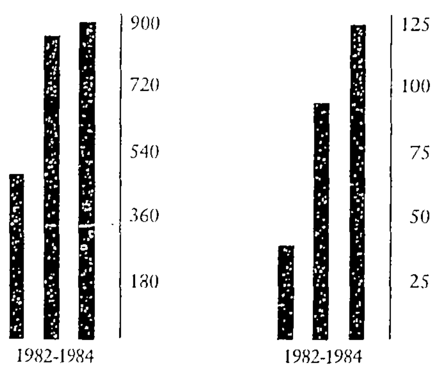
In 1984 Columbia Pictures, the film division, further enhanced its position as a major motion picture studio through the distribution of record-breaking and critically acclaimed releases. "Ghostbusters," starring Bill Murray, Dan Aykroyd, Sigourney Weaver, Harold Ramis and Rick Moranis, became Columbia's number one film in domestic rentals. With a domestic box-office gross of more than $220 million, the Ivan Reitman film also has broken several industry records, becoming the number one comedy ever and the most successful film of the year. Additionally, it climbed to the number six position on the all-time domestic rentals list.

Columbia Pictures also released John Avildsen's "The Karate Kid," starring Ralph Macchio and Noriyuki "Pat" Morita, which has earned more than $90 million in box-office receipts. Other major releases included "Against All Odds," "Moscow on the Hudson," "A Soldier's Story," "Starman," "A Passage to India" and "Micki & Maude." In keeping with its goal of increased production, Columbia plans to release 19 motion pictures domestically in 1985, compared to 13 in 1984. Columbia Pictures currently has more than 75 films in development or production to enable it to increase distribution levels in coming years.

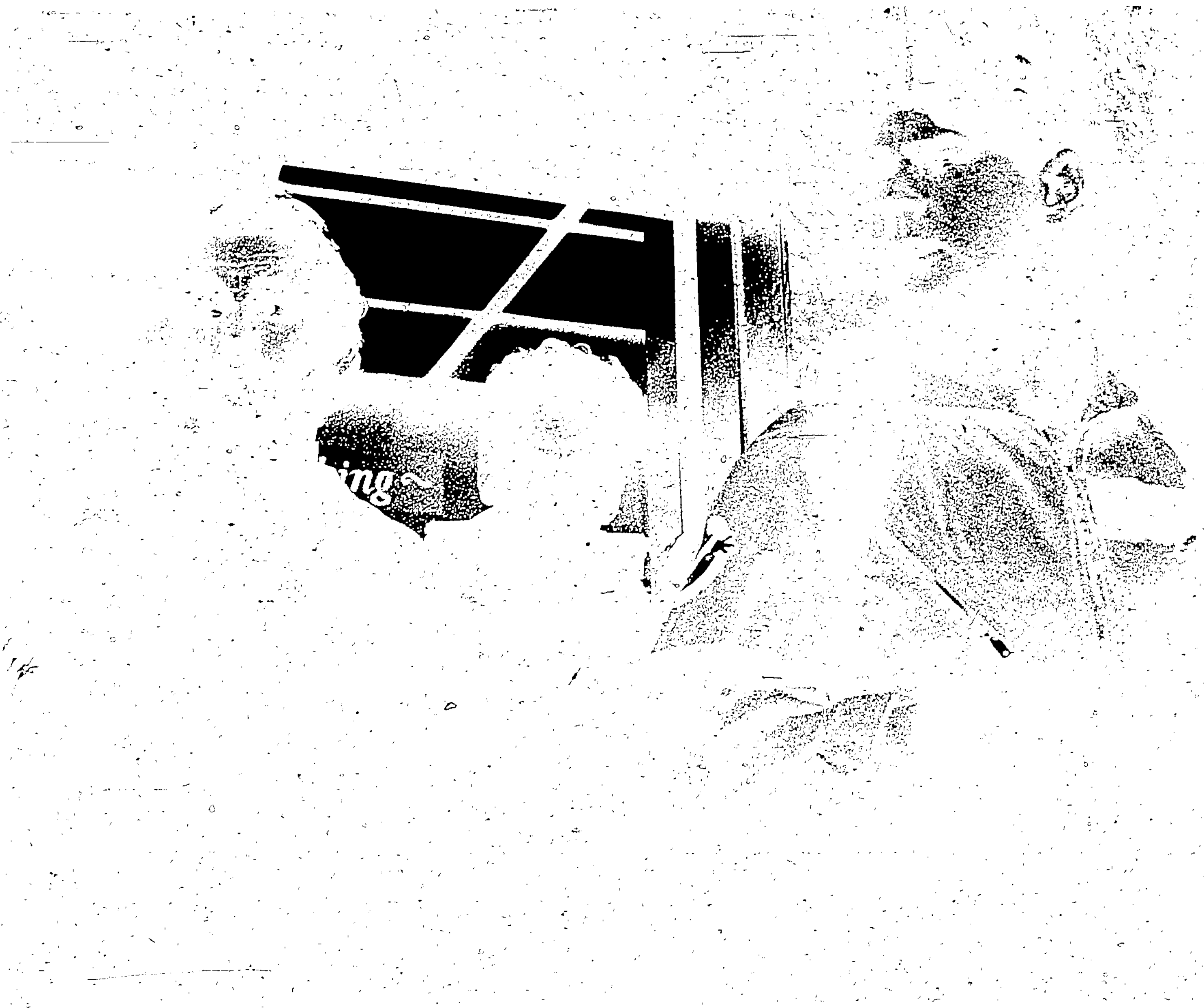
Tri-Star Pictures released 17 films in 1984. This extensive lineup included the films "The Natural," "The Muppets Take Manhattan," "Places in the Heart" and "Birdy." Tri-Star is enabling the Entertainment Business Sector to fulfill its strategy of fully utilizing an existing distribution system with increased production but without a corresponding degree of financial risk. In 1984 the new studio paid Columbia a substantial amount for its theatrical distribution services.

Entertainment*

Net Operating Revenues *($ Millions)* — Operating Income *($ Millions)*



In June 1982 the Company acquired Columbia Pictures Industries, Inc.



"Ghostbusters" captured the attention of American moviegoers last year, earning distinction as the industry's most successful comedy ever and Columbia's highest-grossing film of all time.

Columbia's 1984 films were honored with 19 Academy Award nominations, the most garnered by any studio. Tri-Star, in its first full year of production, ranked third among studios with 13 Oscar nominations.

Reflecting the sector's strategy of limiting risk, films produced by Columbia Pictures and Tri-Star Pictures are supported by minimum license fees and outside financing during the terms of a number of agreements. These include pay television licensing agreements with Time Inc.'s Home Box Office (HBO), network television licensing agreements with CBS Inc., and equity financing arrangements with HBO and certain public limited partnerships.

The sector's films generally are released on videocassette and videodisc after their theatrical distribution, and then on pay television. These markets provided a substantially increased contribution to the sector's income in 1984.

Notable 1984 film releases included (left to right) Columbia Pictures' "The Karate Kid," "A Soldier's Story" and "A Passage to India" and Tri-Star Pictures' critically acclaimed "Birdy."

The domestic market for videocassettes continued its phenomenal growth during the year, and RCA/Columbia Pictures Home Video captured an increased share of the business in the United States and Canada. The sector benefits from this joint venture as an equity partner and as a licensor of filmed entertainment. Among the 49 Columbia films licensed to the venture in 1984 were "Tootsie" and "The Big Chill," both of which sold more than 100,000 units, as did Tri-Star's film "The Natural." The venture also distributes a variety of other forms of entertainment, including music videos and children's programming. In all, the joint venture last year released 111 titles, more than in any previous year. Columbia also participates in the manufacture of videocassettes through the joint venture Bell & Howell/Columbia Pictures Video Services, which duplicates videocassettes for a number of distributors.

During the term of its license agreements with Columbia and Tri-Star, HBO has rights—in many cases exclusive rights—for pay television airing of the studios' films in the United States.

Columbia Pictures International supervises the foreign distribution of Columbia filmed entertainment through all the various markets—theatrical, home video, pay television and free television. The strength of the U.S. dollar in 1984 had an adverse effect on the translation of the

An extensive lineup of 17 films released in 1984 by the joint-venture studio Tri-Star Pictures included the critical and box-office success, "Places in the Heart."

sector's foreign revenues into U.S. currency. The foreign release of "Ghostbusters," a major development for the division, came at the end of the year. Initial engagements indicate exceptionally strong results for the film in overseas markets, which will be reported in 1985. The promotion of "Ghostbusters" internationally included a major joint program with bottlers of Coca-Cola in more than 40 countries.

The sector is capitalizing on the fast-growing demand for videocassettes in foreign markets through its international joint venture with RCA, which also distributes videodiscs. Like its domestic counterpart, RCA/Columbia Pictures International Video pays license fees for the use of Columbia product and generates income for the sector through its distribution activities.

The sector entered the emerging international pay television business through the formation of Premiere, a partnership created to provide pay television programming services in foreign countries. Other partners in the venture are HBO, Showtime/The Movie Channel, Thorn EMI Screen Entertainment, 20th Century Fox and Warner Bros. The partnership has joined with a local company to form a pay television cable programming

"We will vigorously pursue pportunities to increase roduction and acquisition f programs for television."

Columbia Pictures Television Group was the largest contributor to the Entertainment Business Sector's earnings for the second consecutive year. Among Columbia's current primetime series is "Crazy Like a Fox," which consistently has earned high ratings since its debut late last year.

service in the United Kingdom, and preliminary agreements have been signed concerning the establishment of similar services in Japan and the German-speaking nations of Western Europe.

Columbia Pictures Television Group is a producer of primetime and daytime series, miniseries and made-for-television movies and syndicates product to independent and network-affiliated stations. For the second consecutive year, the group posted record profits and was the largest contributor to the sector's earnings.

At the end of the year, Columbia Pictures Television Group had four hour-long primetime series on the air: "Crazy Like a Fox" and "Mickey Spillane's Mike Hammer" on CBS and "Ripley's Believe It Or Not" and "T.J. Hooker" on ABC. The group's continuing daytime series are "Days of Our Lives," on NBC for 19 years, and "The Young and the Restless," on CBS for 11 years.

The group also is a leading supplier of other types of television programs. Miniseries in 1984 included "The Master of Ballantrae," "The Last Days of Pompeii" and "The First Olympics—Athens 1896." Made-for-television movies were "A Touch of Scandal" and "It Came Upon the Midnight Clear." Columbia Pictures Television Group is vigorously pursuing opportunities to increase production of programs for television networks and independent stations.

In 1984 the group's distribution arm surpassed the previous year's strong performance in the syndication of television product—both produced and acquired programs—to network-affiliated and independent stations across the nation. The most successful of its 40 series available for syndication in 1984 were "Hart to Hart" and "Benson."

As part of the sector's efforts to increase its ownership of filmed entertainment product, the group joined with two television distributors to form The Television Program Source. This partnership licenses new programs to network-affiliated and independent stations for first-run syndication. In 1984 it acquired distribution rights to the newly produced evening version of the highly successful "The Price Is Right."

An emerging source of profit is time bartering with stations. To participate in this business, Columbia became a partner with Lexington Broadcast Services in the creation of Colex Enterprises. This venture provides syndicated product, such as "Gidget" and "Father Knows Best," to stations in return for advertising time slots, which the venture then sells to advertising agencies or directly to advertisers.

In line with the Entertainment Business Sector's efforts to concentrate its resources in areas where growth potential is highest, Mylstar Electronics, Inc., the amusement game subsidiary, was closed in September.

The Entertainment Business Sector applied its strategies—limiting risk, increasing production, extending its participation in ancillary businesses and acquiring entertainment product—throughout its businesses in 1984. These strategies effectively support one another and form the sector's cohesive plan for future growth.

RCA/Columbia Pictures Home Video sold more than 100,000 cassettes of "The Big Chill" and "The Natural" and marketed classics from Columbia's film library such as "It Happened One Night." Columbia Pictures International's release of "Ghostbusters" in Japan and other countries late in the year met outstanding success, while television programs such as "Benson" (bottom left) and "Hart to Hart" were the most popular of Columbia Television Group's syndicated series.

How a Feature Film Generates Revenues

In today's entertainment marketplace, the neighborhood movie theater is only the first link in a feature film's distribution chain. Depending on a film's success, it might play in theaters for a few weeks or many months, but films generally continue generating revenues for many years as they move through additional distribution channels. The Company does not sell its films. It rents, or licenses, them for specific uses and time periods while retaining ownership of the underlying rights.

A typical distribution sequence is described below. Actual release patterns for Columbia Pictures and Tri-Star Pictures films are individually tailored, and a film can be in more than one market at a time.

Domestic Theatrical

With few exceptions, films play first in movie theaters in the United States and Canada. The strategy of when and where a film opens is individually designed to maximize each film's theatrical rentals...and its ultimate earnings potential, since success in the theatrical marketplace strongly influences performance in subsequent markets.

International Theatrical

Films generally are released next in international theaters. Openings are staggered from country to country, taking into account each film and local market conditions. In certain cases, a film may be re-released in the theatrical market, either domestically or worldwide.

Worldwide Home Video

After theatrical release in a given country, a film usually is released for home entertainment on videocassette and videodisc.

Worldwide Pay Television

Another home entertainment market is pay television, an important market in the United States and an emerging one internationally. Films are licensed to pay television services and distributed to homes via cable or over-the-air transmission.

Domestic Television

Most films are licensed to television networks for a specific number of airings over a certain number of years. In the syndication market, films are licensed to independent and network-affiliated television stations. A film may return to pay television after appearing on a network or in syndication.

International Television

In the international marketplace, films are licensed to broadcast television following theatrical, home video, and, where available, pay television distribution. Films generally are licensed territory by territory for a specific number of airings over a given time period.

Financial Report

Rate of Growth in Earnings vs. Inflation *(%)*

(% Change in Income Per Share from Continuing Operations vs. % Change in Average Consumer Price Index-Urban)

BUSINESS OBJECTIVES AND STRATEGY

The core of the Company's strategy is a commitment to increase shareholder value over time by achieving growth in earnings per share at a rate in excess of inflation and to increase the return on equity in order to provide shareholders an above average total return on their investment. This return is realized through share price appreciation and maintaining or increasing annual dividends.

To achieve this commitment, management focuses on the following areas:

Unit Volume and Film Product Distribution: A principal goal for the Soft Drink Sectors and Foods Sector is to increase unit volume at rates in excess of the respective industry rates. In the soft drink market within the United States, the Company will seek to exceed industry volume performance through the Company's overall marketing strength, excellent positioning in the rapidly growing low-calorie segment and a strengthened bottler system. To accomplish this goal for soft drinks sold outside the United States, the Company will strive to increase international per capita consumption to levels well above the relatively low levels that presently exist. International per capita consumption of Company soft drink products during 1984 was 15% of the United States' rate. In 1984 unit growth of the Company's worldwide soft drink operations increased 6%, well in excess of the worldwide industry rate of 2%. Following a strategy of product and package segmentation, the Foods Sector will attempt to increase unit volume by layering new products into its existing distribution systems.

A key objective for the Entertainment Sector is to leverage its distribution system by increasing product flow without a significant increase in invested capital or risk. The risk is moderated through the use of equity and prelicensing agreements with Home Box Office, Inc., CBS Inc., and several limited equity partnerships. The distribution system is utilized not only for the sector's theatrical releases but also for the film products of Tri-Star Pictures, an equity investee, and other motion picture companies. The success of this strategy contributed to earnings growth for the Entertainment Sector in 1984.

Profit Margins: While increasing unit volume in excess of industry rates is a key objective, the profit contribution per unit sold is also important. It is the Company's objective to maintain or improve "real" profits per unit (after adjusting for the effects of inflation). This objective is accomplished by maintaining tight controls over pricing policies and operating expenses and seeking operating efficiencies.

At December 31, 1984, bottlers representing over 91% of the Company's bottled Coca-Cola soft drink volume in the United States had agreed to an amended bottler contract which gives the Company better pricing flexibility and requires additional marketing expenditures by the Company. Excluding adjustments for sweetener prices, in 1984 and 1983 the Company raised prices an average of 5% in the United States, principally to cover the effects of inflation.

In 1984 the Company instituted price increases in most major international markets. These increases will help support the Company's aggressive investment in advertising costs, which is an integral part of the Company's formula for long-term unit volume and earnings growth.

In the United States, Coca-Cola is primarily sweetened with high fructose corn syrup (HFCS), a form of sugar. In most of 1984, this product was authorized at the 100% level for Coca-Cola fountain syrup and at the 75% level for Coca-Cola sold in bottles and cans. In late 1984, the Company authorized the use of high fructose corn syrup at up to the 100% level for Coca-Cola sold in bottles and cans. Diet Coke products in the United States were sweetened with a blend of aspartame and saccharin during most of 1984. The Company authorized the use of aspartame at the 100% level for diet Coke sold in bottles and cans in December 1984, and for diet Sprite sold in bottles and cans in January 1985. The increased product costs of using 100% aspartame are being shared with the bottlers.

By carefully managing administrative and general expenses, the Company can improve its operating results. In 1984 the percentage of administrative and general expenses to gross profits was 16.8% compared to 17.7% in 1983; this improvement represents an increase in operating income in excess of $30 million for 1984. The Company's success in controlling these costs has helped provide additional resources for the level of advertising necessary to spur continued unit volume and earnings growth.

Management of Resources: A key element of the Company's strategy is to concentrate its resources in consumer markets offering a strategic fit, attractive returns and high growth potential. Management seeks solid investments that strategically enhance existing operations and that offer long-term cash flow returns which exceed the Company's overall cost of capital. For investments with risk characteristics similar to the soft drink industry, that cost of capital is estimated by management to be approximately 14% after taxes.

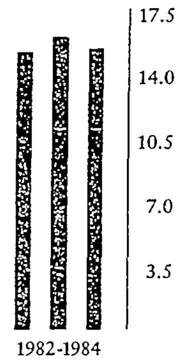
In line with this strategy, since 1982 the Company has sold two major operations, The Wine Spectrum in 1983 and Tenco Division in 1982. These dispositions have generated more than $265 million which has been invested in other areas of the business. In addition, the Company carefully manages its investment in the various components of working capital.

The Company's emphasis on profitable growth is reflected in the level of investment spending. In 1984 the Company's capital reinvestment approximated $339 million excluding fixed assets of purchased companies. This reinvestment was allocated as follows: Soft Drink Sectors—72%; Foods Sector—12%; Entertainment Sector—9%; Corporate—7%. In addition, the Company invested over $100 million in 1984 in acquiring soft drink bottling territories and product lines. These acquisitions included bottling operations in Ohio, Michigan, Oregon, California and the United Kingdom. In the 1985-1987 period the Company expects to invest approximately $1 billion in the soft drink business. The Company's Foods Sector has made significant investments in Tetra Brik aseptic packaging equipment to support the expected growth in this area. The Company's capital investment in the Entertainment Sector has exceeded $850 million, including the initial acquisition cost of Columbia Pictures Industries, Inc., ("Columbia").

In 1984 the Company repurchased 6.1 million shares of its common stock at an aggregate cost of approximately $336 million. The repurchase program increased return on equity by .7% and earnings per share by 5 cents in 1984. This repurchase was

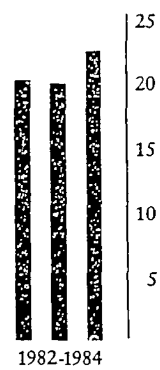
Return on Capital *(%)*

(Income from Continuing Operations to Total Capital)



Return on Shareholders' Equity *(%)*

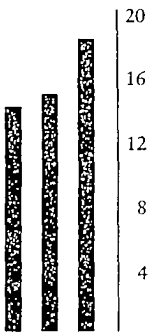
(Income from Continuing Operations to Average Shareholders' Equity)



initiated after management determined that for the near term the Company's available cash and debt capacity would exceed the funds required to support the business and make anticipated investments. Management plans to consider future share repurchases as appropriate business and cash flow circumstances arise.

Capital Structure: One of the Company's financial goals is to maintain a strong financial position while utilizing prudent amounts of long-term debt. During 1984 three $100 million long-term debt offerings with stated interest rates of 12.75%, 11.75% and 11.375% were issued by the Company in the European market. At the dates of issue, the comparable United States Government Treasury yield rates were 13.61%, 12.69% and 11.45%, respectively. At December 31, 1984, long-term debt represented 17.9% of total capital. In the future, the Company envisions increasing the use of such debt in order to fund attractive investment opportunities. This financing policy is aimed at increasing the return on shareholders' equity and the total return to shareholders.

Long-Term Debt to Total Capital (%)



1982-1984

Dividends: With approval from the Board of Directors, management plans to increase the percentage of earnings reinvested in the business by raising dividends annually at a rate lower than the prior year's growth in earnings per share, thus decreasing over time the dividend payout ratio. The annual dividend was $2.76 per share, $2.68 per share and $2.48 per share in 1984, 1983 and 1982, respectively. At its February 1985 meeting, the Board of Directors increased the quarterly per share dividend to 74 cents, equivalent to a full year dividend of $2.96 in 1985. This is the 23rd consecutive year the Board of Directors has approved dividend increases.

The above actions are illustrative of the Company's efforts to achieve its goal of enhancing the value of the shareholders' investment in The Coca-Cola Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Lines of Business

The Coca-Cola Company and consolidated subsidiaries (the "Company") operate three major lines of business:

The Soft Drink Business Sectors manufacture and sell soft drink syrups and concentrates to independent bottling and canning operations and approved wholesalers. The Company also owns some bottling and canning operations which represent approximately 9% of worldwide volume of syrup and concentrate.

Citrus, Hi-C fruit drinks and coffee are reported as "Foods." Plastic products are not material and are also included in the Foods Business Sector.

The Entertainment Business Sector is engaged in the production and distribution of theatrical motion pictures, television series, television features and other entertainment related activities.

The Company has sold the following operations whose operating results have been reported as discontinued operations: 1983—The Wine Spectrum; 1982—Tenco Division.

Operating Results

Soft Drinks: Revenues and operating income for the Soft Drink Sectors increased in 1984 and 1983 primarily because of unit volume increases of 6% and 3%, respectively. The volume increases were due primarily to the increased sales of diet Coke and Sprite. Diet Coke is the fastest-growing soft drink since the introduction of Coca-Cola.

Approximately 62% of soft drink sales volume is generated outside the United States. In 1984 and 1983 soft drink revenues were adversely affected by lower foreign exchange rates. As exchange rates decline, local currency revenues translate into fewer U.S. dollars. In addition, in both years soft drink revenues were adversely affected by lower sweetener prices. The price of Coca-Cola syrup sold to bottlers in the United States is adjusted quarterly for changes in the market price of sugar and high fructose corn syrup. While impacting revenues, this practice minimizes the effects of sweetener prices on gross profit per unit.

Lower foreign exchange rates also adversely affected operating income in 1984 and 1983. Operating income in 1984 was further moderated by increased marketing expenditures, including programs focusing on the 1984 Summer Olympics and other expenditures incurred in connection with the conversion of McDonald's restaurants to Sprite.

Foods: Citrus is the dominant business in the Foods Sector. The cost of citrus products increased in 1984 due to a major freeze in Florida in December of 1983. Strategic price increases resulted in increased revenues and operating income in 1984, despite a 4% volume decrease in orange juice sales. Revenues and operating income increased in the other divisions of the Foods Sector in relation to general volume increases.

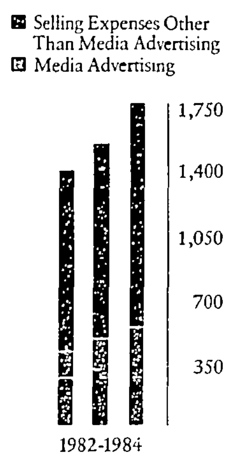
Increases in 1983 revenues and operating income compared to the prior year were due primarily to citrus products, which reported volume increases and modest price increases.

Entertainment: In 1984 the increases in revenues and operating income for the Entertainment Sector were due principally to profitable motion picture releases and television syndications and the licensing of various library programs in Germany. Successful motion picture releases included "Ghostbusters" and "The Karate Kid." "Ghostbusters" has become the highest grossing film in box office sales in the history of Columbia. Television revenues and operating profit benefited from the initial syndication of "Benson" and "Hart to Hart."

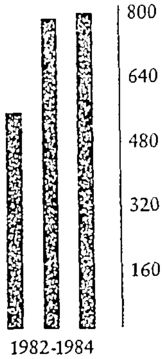
Entertainment revenues of $849.5 million and operating income of $90.6 million in 1983 represent the first full year of operations. Major contributors to revenues and operating income in 1983 were the box office results of "Tootsie," "Gandhi," "Blue Thunder" and "The Big Chill" and television operations including the initial syndication of "Fantasy Island."

Selling, Administrative and General Expenses
Selling expenses, including media advertising, were $1.75 billion in 1984, $1.52 billion in 1983 and $1.37 billion in 1982. Expenditures for media advertising, excluding amounts capitalized as film production costs, were $536 million in 1984, $463 million in 1983 and $392 million in 1982. An additional $108 million, $103 million and $69 million of media spending were capitalized in 1984, 1983 and 1982, respectively, in film costs in accordance with film industry accounting standards. The 1984 increase in media advertising expense was due to increased marketing and promotional expenditures, some of which related to the 1984 Summer Olympics. The 1983 increases resulted from aggressive marketing, particularly in the introduction of diet Coke, the inclusion of full year results for Columbia and inflation.

Total Selling Expenses
($ Millions)



Net Cash Provided by Operations
($ Millions)



Administrative and general expenses increased 4.5% and 16.2% in 1984 and 1983, respectively, primarily because of inflation and expansion of the business. Increases in 1983 are also attributable to the first full year of operations for Columbia. Such expenses, as a percentage of net operating revenues, remained relatively stable at about 8% over the three years ended December 31, 1984.

Interest Income and Expense

Interest income increased by $46 million in 1984 and decreased by $23 million in 1983. The increase in 1984 resulted from higher average invested balances. The decrease in 1983 resulted from lower interest rates and lower average invested balances than in 1982.

An increase in interest expense of $51 million in 1984 was due primarily to an increase in average total debt. A decrease in interest expense of $2 million in 1983 was due primarily to lower interest rates than in 1982.

Other Income and Deductions

The increase in other income (net) in 1984 was due principally to gains from the sales of Ronco Enterprises, Inc., and bottling operations in Australia and Japan. This increase was partially offset by losses resulting from declines in foreign exchange rates. The 1983 other income (net) decrease is due primarily to foreign exchange fluctuations.

Liquidity and Capital Resources

At December 31, 1984, cash and marketable securities totalled $782 million, an increase of $171 million over the prior year. The Company's principal source of cash continues to be funds provided by operations. Cash provided by operations was $781 million in 1984, $766 million in 1983 and $530 million in 1982. The primary uses of cash generated from operations were dividends and capital expenditures for each of the three years in the period ended December 31, 1984. Long-term investments were also a major use in 1984.

In 1984 the Company issued more than $300 million in long-term debt. The debt was issued primarily to finance the repurchase of 6.1 million shares of the Company's stock and for general corporate purposes. Also in 1984, loans and notes payable increased over $400 million. The Company maintains cash and current marketable securities substantially in excess of minimum operating requirements. The ratio of total debt, net of cash and current marketable securities in excess of minimum operating needs, to total capital was as follows:

December 31, 1984: 21.5% (net of an estimated $600 million of cash and current marketable securities in excess of minimum operating requirements)

December 31, 1983: 7.0% (net of an estimated $400 million of cash and current marketable securities in excess of minimum operating requirements)

The Company's total cash and marketable securities was $611 million at December 31, 1983, a $351 million increase over 1982. This increase was due principally to the sale of the Company's wine business.

At December 31, 1984, investments amounted to $334 million, an increase of $92 million over 1983. This increase is due primarily to equity contributions to Coca-Cola Financial Corporation and investments in various bottling operations. Noncurrent receivables and other assets increased $167 million in 1984. This increase was generated principally in the Entertainment Business Sector and relates to the television syndication of "Benson" and "Hart to Hart."

The Company maintains credit lines at various financial institutions. At December 31, 1984, the unused portion of the credit lines was $353 million.

Capital expenditures in 1984, 1983 and 1982 were $391 million, $384 million and $382 million, respectively, and related principally to capacity expansion, improved efficiency and fixed assets of purchased companies.

International Operations
The Company distributes its products in over 155 countries and uses approximately 40 functional currencies. The United States dollar is used as the functional currency in countries considered to have hyperinflationary economies, such as Brazil and Mexico.

More than 50% of total operating income is generated outside the United States. Management estimates that the United States dollar strengthened against selected key foreign hard currencies by an average of 9% and 3%, respectively, in 1984 and 1983. As the U.S. dollar strengthens, foreign currency operating results are translated into fewer U.S. dollars.

Percentage increases (decreases) in average exchange rates for several of the selected foreign hard currencies are as follows:

	1984	*1983*	*1982*
Germany	(11)%	(5)%	(6)%
Japan	(1)%	4 %	(11)%
South Africa	(23)%	(2)%	(19)%
United Kingdom	(12)%	(13)%	(13)%
Australia	(2)%	(13)%	(10)%

Exchange gains (losses), i.e., gains and losses on foreign currency transactions and translation of balance sheet accounts in hyperinflationary countries, were $(18) million in 1984, $9 million in 1983 and $27 million in 1982. Such amounts are included in other income (net of other deductions) in the consolidated statements of income.

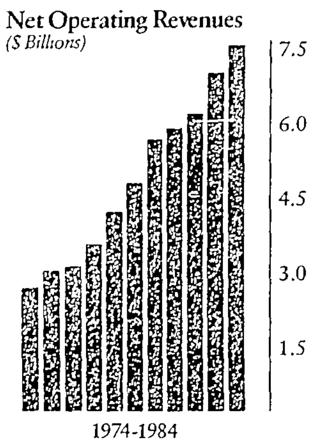
In general, the Company does not enter into forward exchange contracts to hedge its net investment in foreign operations. The Company does, however, engage in various hedging activities to minimize potential losses on cash flows denominated in foreign currencies and to offset foreign exchange movements on firm commitments and certain other transactions where potential for loss exists.

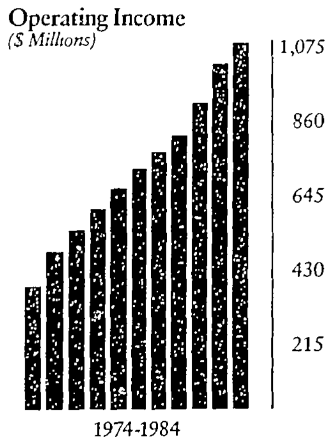
Additional Information
For additional information concerning the Company's operations, cash flow, liquidity and capital sources, this analysis should be read in conjunction with the Letter to Shareholders and the information on pages 40 through 49 of this Annual Report. For information relating to the effects of inflation on the operations of the Company see pages 52 and 53, "Supplemental Information on the Effects of Changing Prices." Additional information concerning operations in different industries and different geographical areas is presented on pages 48 and 49.

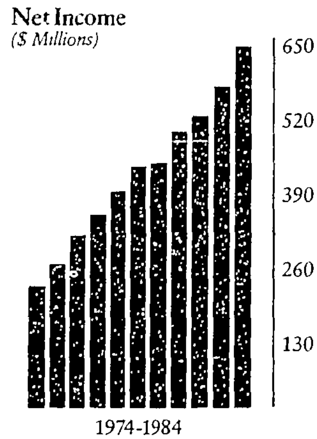
Selected Financial Data
(In millions except per share data)

Year Ended December 31,	1984	1983	1982(b)	1981
Summary of Operations (a)				
Net operating revenues	$7,364	$6,829	$6,021	$5,699
Cost of goods and services	3,993	3,773	3,311	3,188
Gross profit	3,371	3,056	2,710	2,511
Selling, administrative and general expenses	2,313	2,063	1,830	1,725
Operating income	1,058	993	880	786
Interest income	129	83	106	71
Interest expense	124	73	75	39
Other income (deductions)—net	5	(3)	7	(23)
Income from continuing operations before income taxes	1,068	1,000	918	795
Income taxes	439	442	415	355
Income from continuing operations	$ 629	$ 558	$ 503	$ 440
Net income	$ 629	$ 559	$ 512	$ 482
Per Share Data (c)				
Income from continuing operations	$ 4.76	$ 4.10	$ 3.88	$ 3.56
Net income	4.76	4.10	3.95	3.90
Dividends	2.76	2.68	2.48	2.32
Year-End Position				
Cash and marketable securities	$ 782	$ 611	$ 261	$ 340
Property, plant and equipment—net	1,623	1,561	1,539	1,409
Total assets	5,958	5,228	4,923	3,565
Long-term debt	740	513	462	137
Total debt	1,363	620	583	232
Shareholders' equity	2,778	2,921	2,779	2,271
Total capital (d)	4,141	3,541	3,362	2,503
Financial Ratios				
Income from continuing operations to net operating revenues	8.5%	8.2%	8.4%	7.7%
Income from continuing operations to average shareholders' equity	22.1%	19.6%	19.9%	20.2%
Long-term debt to total capital	17.9%	14.5%	13.7%	5.5%
Total debt to total capital	32.9%	17.5%	17.3%	9.3%
Dividend payout	58.0%	65.3%	62.8%	59.5%
Other Data				
Average shares outstanding (c)	132	136	130	124
Capital expenditures	$ 391	$ 384	$ 382	$ 330
Depreciation	166	154	144	133

Notes:
(a) In June 1982 the Company acquired Columbia Pictures Industries, Inc., in a purchase transaction.
(b) In 1982 the Company adopted Statement of Financial Accounting Standards No. 52, "Foreign Currency Translation." See Note 10 to the Consolidated Financial Statements.



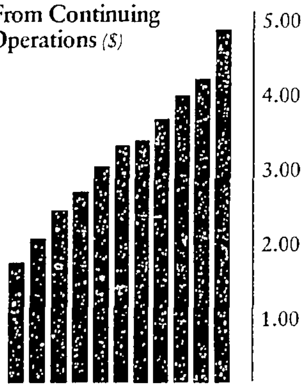




1980	1979	1978	1977	1976	1975	1974
$5,475	$4,588	$4,013	$3,328	$2,928	$2,773	$2,425
3,103	2,521	2,203	1,836	1,614	1,633	1,462
2,372	2,067	1,810	1,492	1,314	1,140	963
1,635	1,378	1,167	922	806	693	616
737	689	643	570	508	447	347
40	37	35	29	29	22	21
35	11	7	6	6	6	6
(9)	(3)	(14)	(9)	(4)	(8)	5
733	712	657	584	527	455	367
329	318	300	268	245	218	170
$ 404	$ 394	$ 357	$ 316	$ 282	$ 237	$ 197(e)
$ 422	$ 420	$ 375	$ 331	$ 294	$ 249	$ 204(e)
$ 3.27	$ 3.18	$ 2.89	$ 2.56	$ 2.29	$ 1.93	$ 1.60(e)
3.42	3.40	3.03	2.68	2.38	2.02	1.65(e)
2.16	1.96	1.74	1.54	1.325	1.15	1.04
$ 231	$ 149	$ 321	$ 350	$ 364	$ 389	$ 241
1,341	1,284	1,065	887	738	647	601
3,406	2,938	2,583	2,254	2,007	1,801	1,610
133	31	15	15	11	16	12
228	139	69	57	52	42	69
2,075	1,919	1,740	1,578	1,434	1,302	1,190
2,303	2,058	1,809	1,635	1,486	1,344	1,259
7.4%	8.6%	8.9%	9.5%	9.6%	8.5%	8.1%
20.2%	21.5%	21.6%	21.0%	20.6%	19.0%	17.1%
5.8%	1.5%	.8%	.9%	.7%	1.2%	1.0%
9.9%	6.8%	3.8%	3.5%	3.5%	3.1%	5.5%
63.2%	57.6%	57.4%	57.5%	55.7%	56.9%	63.0%
124	124	124	123	123	123	123
$ 293	$ 381	$ 306	$ 264	$ 191	$ 145	$ 154
127	106	88	77	67	64	57

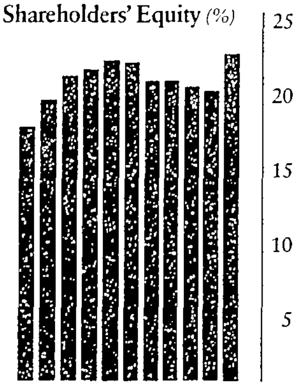
(c) Adjusted for a two-for-one stock split in 1977.
(d) Includes shareholders' equity and total debt.
(e) In 1974 the Company adopted the last-in, first-out (LIFO) accounting method for certain major categories of inventories. This accounting change caused a reduction in net income of $31.2 million (25 cents per share) in 1974.

Income Per Share From Continuing Operations *($)*



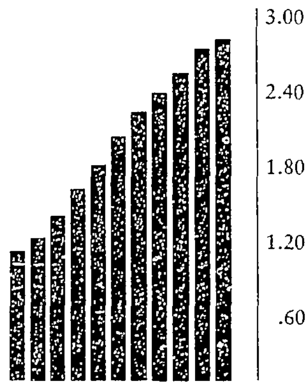
1974-1984

Return on Shareholders' Equity *(%)*



1974-1984

Dividends Per Share *($)*



1974-1984

Consolidated Statements of Income

(In thousands except per share data)

Year Ended December 31,	1984	1983	1982
Net Operating Revenues	$7,363,993	$6,828,992	$6,021,135
Cost of goods and services	3,992,923	3,772,741	3,310,847
Gross Profit	3,371,070	3,056,251	2,710,288
Selling, administrative and general expenses	2,313,562	2,063,626	1,830,527
Operating Income	1,057,508	992,625	879,761
Interest income	128,837	82,912	106,172
Interest expense	123,750	72,677	74,560
Other income (deductions)—net	5,438	(2,528)	6,679
Income From Continuing Operations Before Income Taxes	1,068,033	1,000,332	918,052
Income taxes	439,215	442,072	415,076
Income From Continuing Operations	628,818	558,260	502,976
Income from discontinued operations (net of applicable income taxes of $414 in 1983 and $4,683 in 1982)	—	527	9,256
Net Income	$ 628,818	$ 558,787	$ 512,232
Per Share:			
Continuing operations	$ 4.76	$ 4.10	$ 3.88
Discontinued operations	—	—	.07
Net income	$ 4.76	$ 4.10	$ 3.95
Average Shares Outstanding	132,210	136,222	129,793

See Notes to Consolidated Financial Statements.

Consolidated Balance Sheets
(In thousands except share data)

The Coca-Cola Company and Consolidated Subsidiaries

Assets	December 31, 1984	1983
Current		
Cash	$ 307,564	$ 319,385
Marketable securities, at cost (approximates market)	474,575	292,084
Trade accounts receivable, less allowances of $20,670 in 1984 and $20,160 in 1983	872,332	779,729
Inventories and unamortized film costs	740,063	744,107
Prepaid expenses and other assets	241,326	195,009
Total Current Assets	2,635,860	2,330,314
Investments, Film Costs and Other Assets		
Investments (principally investments in affiliates)	334,220	241,780
Unamortized film costs	341,662	252,612
Long-term receivables and other assets	408,324	240,880
	1,084,206	735,272
Property, Plant and Equipment		
Land	130,883	128,642
Buildings and improvements	645,150	618,586
Machinery and equipment	1,518,264	1,412,697
Containers	337,993	341,597
	2,632,290	2,501,522
Less allowances for depreciation	1,009,715	940,716
	1,622,575	1,560,806
Goodwill and Other Intangible Assets	615,428	601,430
	$5,958,069	$5,227,822

Liabilities and Shareholders' Equity	1984	1983
Current		
Loans and notes payable	$ 502,216	$ 85,913
Current maturities of long-term debt	120,300	20,783
Accounts payable and accrued expenses	1,020,807	910,951
Participations and other entertainment obligations	192,537	154,213
Accrued taxes—including income taxes	186,942	219,240
Total Current Liabilities	2,022,802	1,391,100
Participations and Other Entertainment Obligations	175,234	226,129
Long-Term Debt	740,001	513,202
Deferred Income Taxes	241,966	176,635
Shareholders' Equity		
Common stock, no par value—Authorized: 180,000,000 shares in 1984 and 1983; Issued: 137,263,936 shares in 1984 and 136,653,676 shares in 1983	69,009	68,704
Capital surplus	532,186	500,031
Reinvested earnings	2,758,895	2,494,215
Foreign currency translation adjustment	(234,811)	(130,640)
	3,125,279	2,932,310
Less treasury stock, at cost (6,438,873 shares in 1984; 300,588 shares in 1983)	347,213	11,554
	2,778,066	2,920,756
	$5,958,069	$5,227,822

See Notes to Consolidated Financial Statements.

Consolidated Statements of Shareholders' Equity

(In thousands except per share data)

Three Years Ended December 31, 1984	Number of Shares: Common Stock	Number of Shares: Treasury Stock	Amount: Common Stock	Amount: Capital Surplus	Amount: Reinvested Earnings	Amount: Foreign Currency Translation	Amount: Treasury Stock
Balance January 1, 1982	124,025	401	$62,389	$114,194	$2,109,542	$ (11,657)	$ (15,353)
Sales to employees exercising stock options and appreciation rights	121	—	61	3,685	—	—	—
Tax benefit from sale of option shares by employees	—	—	—	814	—	—	—
Purchase of Columbia Pictures Industries, Inc.	11,954	—	5,977	359,579	—	—	—
Translation adjustments (net of income taxes of $11,188)	—	—	—	—	—	(42,829)	—
Treasury stock issued to officers	—	(42)	—	36	—	—	1,541
Net income	—	—	—	—	512,232	—	—
Dividends (per share—$2.48)	—	—	—	—	(321,557)	—	—
Balance December 31, 1982	136,100	359	68,427	478,308	2,300,217	(54,486)	(13,812)
Sales to employees exercising stock options and appreciation rights	387	—	194	13,327	—	—	—
Tax benefit from sale of option shares by employees	—	—	—	1,616	—	—	—
Translation adjustments (net of income taxes of $13,346)	—	—	—	—	—	(76,154)	—
Treasury stock issued in connection with an acquisition	—	(58)	—	(1,847)	—	—	2,258
Stock issued under Restricted Stock Award Plan	167	—	83	8,627	—	—	—
Net income	—	—	—	—	558,787	—	—
Dividends (per share—$2.68)	—	—	—	—	(364,789)	—	—
Balance December 31, 1983	136,654	301	68,704	500,031	2,494,215	(130,640)	(11,554)
Sales to employees exercising stock options and appreciation rights	316	—	158	10,931	—	—	—
Tax benefit from sale of option shares by employees	—	—	—	2,557	—	—	—
Translation adjustments (net of income taxes of $2,950)	—	—	—	—	—	(104,171)	—
Stock issued under Restricted Stock Award Plan	294	—	147	18,667	—	—	—
Treasury stock purchased	—	6,138	—	—	—	—	(335,659)
Net income	—	—	—	—	628,818	—	—
Dividends (per share—$2.76)	—	—	—	—	(364,138)	—	—
Balance December 31, 1984	137,264	6,439	$69,009	$532,186	$2,758,895	$(234,811)	$(347,213)

See Notes to Consolidated Financial Statements.

Consolidated Statements of Changes in Financial Position (In thousands)

Year Ended December 31,	1984	1983	1982
Operations			
Income from continuing operations	$ 628,818	$558,260	$502,976
Depreciation	166,104	153,655	143,549
Amortization:			
Goodwill	17,161	16,468	10,101
Noncurrent film costs	136,714	57,167	43,495
Deferred income taxes	84,931	12,220	48,702
Other	18,608	25,460	24,111
Discontinued operations (provisions for depreciation, amortization and deferred income taxes were $8,219 in 1983, and $7,504 in 1982)	—	8,746	16,760
Working capital provided by operations	1,052,336	831,976	789,694
Decrease (increase) in other current assets:			
Trade accounts receivable	(72,127)	(69,107)	(276,196)
Inventories and film costs	18,070	(57,776)	(90,973)
Prepaid expenses and other assets	(45,737)	55,663	(192,773)
Increase (decrease) in current liabilities:			
Accounts payable and accrued expenses	47,472	143,957	128,052
Participations and other entertainment obligations	38,324	(590)	154,803
Accrued taxes	(31,506)	(39,512)	19,434
Net additions to noncurrent film costs	(225,764)	(98,319)	(1,895)
Net cash provided by operations	781,068	766,292	530,146
Decrease (increase) in investments and other assets	(259,953)	(19,361)	21,836
Additions to property, plant and equipment	(338,929)	(376,197)	(325,016)
Disposals of property, plant and equipment	67,161	34,972	44,467
Increase (decrease) in noncurrent participations and other entertainment obligations	(50,895)	35,721	—
Other	(22,241)	(2,595)	(46,544)
Net cash invested in operations	(604,857)	(327,460)	(305,257)
Net cash available from operations	176,211	438,832	224,889
Financing Activities			
Common stock issued	32,460	22,000	370,152
Increase (decrease) in loans and notes payable and current portion of long-term debt	510,260	(15,220)	25,970
Increase in long-term debt	347,099	71,181	300,015
Decrease in long-term debt (includes reclassifications to short-term)	(120,300)	(20,783)	(50,623)
Repurchase of common stock	(335,659)	—	—
Net cash provided by financing activities	433,860	57,178	645,514
Acquisitions and Discontinued Operations			
Acquisitions of purchased companies:			
Net working capital	32,070	(1,847)	(1,081)
Property, plant and equipment—net	(51,829)	(7,439)	(56,739)
Other assets net of other liabilities	69	583	(89,693)
Goodwill	(55,573)	(7,480)	(516,115)
Discontinued operations:			
Net working capital	—	145,530	34,300
Net long-term assets (including property, plant and equipment)	—	89,990	1,851
Net cash provided by (used for) acquisitions and discontinued operations	(75,263)	219,337	(627,477)
Dividends	(364,138)	(364,789)	(321,557)
Increase (Decrease) in Cash and Marketable Securities	170,670	350,558	(78,631)
Cash and Marketable Securities at Beginning of Year	611,469	260,911	339,542
Cash and Marketable Securities at End of Year	$ 782,139	$611,469	$260,911

See Notes to Consolidated Financial Statements.

1. Accounting Policies. The major accounting policies and practices followed by the Company and its consolidated subsidiaries are as follows:

Consolidation: The consolidated financial statements include the accounts of the Company and its majority-owned subsidiaries except for Coca-Cola Financial Corporation (CCFC). All significant intercompany accounts and transactions are eliminated in consolidation. CCFC, a wholly owned finance subsidiary, initiated operations in 1984 and is accounted for under the equity method. CCFC's operations for 1984 were not significant to the consolidated financial statements.

Consolidated statements of changes in financial position for the years ended December 31, 1983 and 1982, have been restated to a cash basis format.

Inventories and Unamortized Film Costs: Inventories are valued at the lower of cost or market. The last-in, first-out (LIFO) method of inventory valuation generally is used for sugar and other sweeteners, except for aspartame, used in beverages in the United States, for certain major citrus concentrate products, for substantially all inventories of United States bottling subsidiaries and for certain other operations. All other inventories are valued on the basis of average cost or first-in, first-out (FIFO) methods. The excess of current costs over LIFO stated values amounted to approximately $54 million and $59 million at December 31, 1984 and 1983, respectively.

Unamortized film costs include film production, print, prerelease and other advertising costs expected to benefit future periods, accrued profit participations, and capitalized interest. The individual film forecast method is used to amortize these costs based on the revenues recognized in proportion to management's estimate of ultimate revenues to be received. Based on the Company's estimate of revenues as of December 31, 1984, approximately 90% of unamortized film costs are expected to be amortized over the next five years.

The costs of feature and television films are classified as current assets to the extent such costs are expected to be recovered through the respective primary markets. Other costs relating to film production are classified as noncurrent.

Revenues from theatrical exhibition of feature films are recognized on the dates of exhibition. Revenues from television licensing agreements are recognized when films are available for telecasting. Motion picture revenues are derived from the following markets: domestic and foreign theater, home video, pay television and network and independent broadcast television. The Company's average revenue recognition cycle for motion picture films is approximately seven years.

Property, Plant and Equipment: Property, plant and equipment is stated at cost, less allowance for depreciation, except that foreign subsidiaries carry bottles and shells in service at amounts (less than cost) which generally correspond with deposit prices obtained from customers. Approximately 92% of depreciation expense was determined by the straight-line method for the years ended December 31, 1984, 1983 and 1982. The annual rates of depreciation are 2% to 10% for buildings and improvements and 7% to 34% for machinery and equipment. Investment tax credits are accounted for by the flow-through method.

Capitalized Interest: Interest capitalized as part of the cost of acquisition, construction or production of major assets (including film costs) was $26 million, $18 million and $14 million in 1984, 1983 and 1982, respectively.

Goodwill and Other Intangible Assets: Goodwill and other intangible assets are stated on the basis of cost and, if acquired subsequent to October 31, 1970, are being amortized, principally on a straight-line basis, over the estimated future periods to be benefited (not exceeding 40 years). Accumulated amortization amounted to $57 million and $42 million at December 31, 1984 and 1983, respectively.

2. Inventories and Unamortized Film Costs are comprised of the following (in thousands):

	December 31, 1984	1983
Finished goods	$284,711	$217,329
Work in process	17,154	15,173
Raw materials and supplies	341,098	366,000
Unamortized film costs (includes in process costs of $31,043 in 1984 and $60,669 in 1983)	97,100	145,605
	$740,063	$744,107
Noncurrent—		
Unamortized film costs:		
Completed	$192,877	$147,697
In process	148,785	104,915
	$341,662	$252,612

3. Short-Term Borrowings and Credit Arrangements. Loans and notes payable include commercial paper and notes payable to banks and other financial institutions of $502 million and $86 million at December 31, 1984 and 1983, respectively.

Under line of credit arrangements for short-term debt with various financial institutions, the Company, including Coca-Cola Financial Corporation, may borrow up to $457 million. These lines of credit are subject to normal banking terms and conditions. At December 31, 1984, the unused portion of the credit lines was $353 million. Some of the financial arrangements require compensating balances which are not material.

4. Accounts Payable and Accrued Expenses are composed of the following amounts (in thousands):

	December 31, 1984	December 31, 1983
Trade accounts payable	$ 878,564	$768,913
Deposits on bottles and shells	47,848	51,371
Other	94,395	90,667
	$1,020,807	$910,951

5. Accrued Taxes are composed of the following amounts (in thousands):

	December 31, 1984	December 31, 1983
Income taxes	$128,372	$166,228
Sales, payroll and miscellaneous taxes	58,570	53,012
	$186,942	$219,240

6. Long-Term Debt consists of the following amounts (in thousands):

	December 31, 1984	December 31, 1983
9⅞% notes due June 1, 1985	$ 99,988	$ 99,958
10⅜% notes due June 1, 1988	98,866	98,534
11⅜% notes due November 28, 1988	100,000	–
12¾% notes due August 1, 1989	99,771	–
11¾% notes due October 1, 1989 (redeemable after September 30, 1986)	98,279	97,916
11¾% notes due October 16, 1991 (redeemable after October 16, 1988)	99,757	–
9⅞% notes due August 1, 1992 (redeemable after July 31, 1989)	98,345	98,125
Other	165,295	139,452
	860,301	533,985
Less current portion	120,300	20,783
	$740,001	$513,202

The above notes, except for the 9⅞% notes due June 1, 1985, were issued outside the United States and are redeemable at the Company's option under certain limited conditions related to United States and foreign tax laws.

The 11⅜% notes were issued with detachable warrants which grant the holder the right to purchase additional notes bearing the same interest rate and maturing in 1991. The warrants expire November 28, 1988.

Other long-term debt consists of various mortgages and notes with maturity dates ranging from 1985 to 2010. Interest on a portion of this debt varies with the changes in the prime rate, and the weighted average interest rate applicable to the remainder is approximately 12.3%.

Maturities of long-term debt for the five years succeeding December 31, 1984, are as follows (in thousands):

1985	$120,300
1986	22,883
1987	17,941
1988	214,092
1989	210,847

The above notes include various restrictions, none of which are presently significant to the Company. The Company is contingently liable for guarantees of indebtedness owed by its independent bottling companies, Coca-Cola Financial Corporation, and others in the approximate amount of $213 million at December 31, 1984.

7. Pension Plans. The Company and its subsidiaries sponsor and/or contribute to various pension plans covering substantially all United States employees and certain employees in non-United States locations. Pension expense for continuing operations determined under various actuarial cost methods, principally the aggregate level cost method, amounted to approximately $36 million in 1984, $39 million in 1983 and $35 million in 1982. Pension costs are generally funded currently.

The actuarial present value of accumulated benefits, as estimated by consulting actuaries, and net assets available for benefits of Company and subsidiary-sponsored plans in the United States are presented below (in thousands):

	January 1, 1984	January 1, 1983
Actuarial present value of accumulated plan benefits:		
Vested	$217,558	$193,122
Nonvested	17,527	15,940
	$235,085	$209,062
Net assets available for benefits	$334,357	$280,731

The weighted average assumed rates of return used in determining the actuarial present value of accumulated plan benefits were approximately 9% for 1984 and 9.5% for 1983. This change in the assumed rate of return increased the actuarial present value of accumulated plan benefits by approximately $9 million at January 1, 1984.

The Company has various pension plans in locations outside the United States. These locations are not required to report to United States governmental agencies and do not determine the actuarial present value of accumulated plan benefits or net assets available for benefits as calculated and disclosed above. For such plans, the value of the pension funds and balance sheet accruals exceeded the actuarially computed value of vested benefits as of January 1, 1984 and 1983, as estimated by consulting actuaries.

The Company also has a plan which provides post-retirement health care and life insurance benefits to virtually all employees who retire with a minimum of five years of service; the aggregate cost of these benefits is not significant.

8. Income Taxes. The components of income before income taxes for both continuing and discontinued operations consist of the following (in thousands):

	Year Ended December 31, 1984	1983	1982
United States	$ 457,260	$ 409,613	$357,063
Foreign	610,773	591,660	574,928
	$1,068,033	$1,001,273	$931,991

Income taxes for continuing and discontinued operations consist of the following amounts (in thousands):

Year Ended December 31,	United States	State & Local	Foreign	Total
1984				
Current	$ 45,411	$23,085	$285,788	$354,284
Deferred	67,891	3,403	13,637	84,931
1983				
Current	$114,195	$25,615	$287,846	$427,656
Deferred	4,493	1,068	9,269	14,830
1982				
Current	$ 79,605	$22,638	$266,709	$368,952
Deferred	33,281	1,363	16,163	50,807

A reconciliation of the statutory U.S. federal rate and effective rates is as follows:

	Year Ended December 31, 1984	1983	1982
Statutory rate	46.0%	46.0%	46.0%
State income taxes-net of federal benefit	1.3	1.4	1.4
Earnings in jurisdictions taxed at varying rates	(3.0)	(1.9)	(2.2)
Investment tax credits	(2.9)	(2.0)	(2.6)
Other-net	(.3)	.7	2.4
	41.1%	44.2%	45.0%

Investment tax credits were approximately $34 million in 1984, $20 million in 1983 and $24 million in 1982.

Deferred taxes are provided principally for depreciation, film costs and television and other licensing income which are recognized in different years for financial statement and income tax purposes.

In 1984 certain current tax amounts were reclassified to deferred. Also in 1984, the Company completed an organizational restructuring in the Entertainment Business Sector which resulted in an increase in the tax bases of certain assets.

9. Restricted Stock Award Plan and Stock Options. The amended 1983 Restricted Stock Award Plan provides that 1,000,000 shares of restricted common stock may be granted to certain officers and key employees of the Company. The shares are subject to forfeiture if the employee leaves the Company for reasons other than death, disability or retirement and may not be transferred by the employee prior to death, disability or retirement. The employee receives dividends on the shares and may vote the shares. The market value of the shares at the date of grant is charged to operations over those periods. Shares granted were 294,500 shares and 166,500 shares in 1984 and 1983, respectively. At December 31, 1984, 539,000 shares were available to be granted under this Plan.

The Company's 1983 Stock Option Plan covers 2,000,000 shares of the Company's common stock. The Plan provides for the granting of stock appreciation rights and stock options to certain officers and employees. Stock appreciation rights permit the holder, upon surrendering all or part of the related stock option, to receive cash, common stock, or a combination thereof, in an amount up to 100% of the difference between the market price and the option price. Included in options outstanding at December 31, 1984, were various options granted under previous plans and other options granted not as a part of an option plan.

Further information relating to options is as follows:

	December 31, 1984	1983	1982
Options outstanding at January 1	1,713,222	1,507,162	1,406,360
Options granted in the year	454,650	487,900	288,300
Options exercised in the year	(264,845)	(203,361)	(120,791)
Options cancelled in the year	(36,582)	(78,479)	(66,707)
Options outstanding at December 31	1,866,445	1,713,222	1,507,162
Options exercisable at December 31	868,596	750,026	781,906
Shares available at December 31 for options which may be granted	1,131,950	1,577,858	25,261
Option prices per share			
Exercised in the year	$25-$52	$25-$50	$22-$44
Unexercised at year-end	$31-$64	$25-$52	$25-$68

Not reflected above are options assumed in connection with the acquisition of Columbia Pictures Industries, Inc., covering 27,400 shares of the Company's common stock at December 31, 1984. The average option price for these options is $37. During 1984 options for 50,680 such shares were exercised, and options for 16,001 shares were cancelled.

10. Foreign Operations Currency Translation. In 1982 the Company adopted Statement of Financial Accounting Standards No. 52, "Foreign Currency Translation" (SFAS 52) for translating the financial statements of its foreign operations. An equity adjustment ($11.7 million) was recorded as of January 1, 1982, for the cumulative effect of SFAS 52 on prior years. Net exchange gains (losses) included in income, i.e., gains and losses on foreign currency transactions and translation of balance sheet accounts of operations in hyperinflationary economies, were $(18) million for 1984, $9 million for 1983 and $27 million for 1982.

Appropriate United States and foreign income taxes have been provided for earnings of subsidiary companies which are expected to be remitted to the parent company in the near future. Accumulated unremitted earnings of foreign subsidiaries which are expected to be required for use in the foreign operations were approximately $62 million at December 31, 1984, exclusive of amounts which if remitted would result in little or no tax.

11. Acquisitions. In 1984, 1983 and 1982 the Company purchased various bottling companies to operate. The operating results for these companies have been included in the consolidated statement of income from the dates of acquisition and do not have a significant effect on operating results for those respective years.

In addition, in 1984 the Company purchased a substantial equity interest in The Mid-Atlantic Coca-Cola Bottling Company, Inc., at a cost of more than $60 million. This operation was purchased with the intent of selling it to other purchasers as part of the bottler restructuring efforts. Accordingly, the acquisition has been accounted for as a temporary investment under the cost method of accounting.

Included in current marketable securities at December 31, 1984, is $148.8 million on deposit with an escrow agent. Such amount will be used to acquire Louisiana Coca-Cola Bottling Co. ("Louisiana") or released to the Company, depending upon resolution of current differences between the Company and principal owners of Louisiana.

In June 1982 the Company acquired all of the outstanding capital stock of Columbia Pictures Industries, Inc., ("Columbia") in a purchase transaction. The purchase price, consisting of cash and common stock of the Company, was valued at approximately $692 million. The values assigned to assets acquired and liabilities assumed are based on studies conducted to determine their fair values. The excess cost over net fair value is being amortized over 40 years using the straight-line method.

The pro forma consolidated results of continuing operations of the Company, as if Columbia had been acquired as of January 1, 1982, are as follows for the year ended December 31, 1982 (in millions except per share data):

Net operating revenues	$6,374
Income from continuing operations	489
Income from continuing operations per share	3.60

The pro forma results include adjustments to reflect interest expense on $333 million of the purchase price assumed to be financed with debt bearing interest at an annual rate of 11%, the amortization of the unallocated excess cost over net assets of Columbia, the income tax effects of pro forma adjustments and the issuance of 12.2 million shares of the Company's common stock.

12. Divestitures and Discontinued Operations. In 1984 the Company sold Ronco Enterprises, Inc., a manufacturer and distributor of pasta products, for cash. This transaction had no significant effect on consolidated operating results.

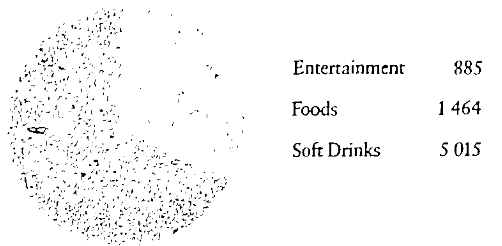
In conjunction with its continuing bottler restructuring efforts, the Company sold bottling interests in Australia and Japan and provided for possible losses in Guatemala, where an independent bottler ceased operations. Such efforts resulted in net pretax gains of approximately $18 million.

In November 1983 the Company sold its wine business for book value plus advances, amounting to approximately $230 million. In February 1982 the Company sold its Tenco Division, which manufactured and distributed private label instant coffees and teas, for approximately book value. Net revenues of discontinued operations were $162 million and $229 million in 1983 and 1982, respectively.

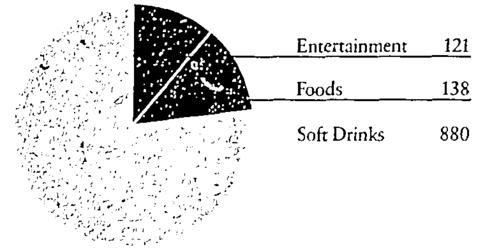
13. Lines of Business. The Company operates principally in the soft drink industry. Citrus, Hi-C fruit drinks, coffee and other products are included in the Foods Business Sector. Plastic products are not material and are also included in the Foods Business Sector. In June 1982 the Company acquired Columbia Pictures Industries, Inc., which operates in the entertainment industry. Intercompany transfers between sectors are not material. Information concerning operations in different lines of business is as follows (in millions):

Year Ended December 31,	1984	1983	1982
Net operating revenues:			
Soft drinks	$5,014.9	$4,694.6	$4,413.8
Foods	1,464.4	1,284.9	1,150.0
Entertainment	884.7	849.5	457.3
Consolidated net operating revenues	$7,364.0	$6,829.0	$6,021.1
Operating income:			
Soft drinks	$ 879.6	$ 858.6	$ 800.0
Foods	137.7	121.3	117.9
Entertainment	121.1	90.6	35.8
General expenses	(80.9)	(77.9)	(73.9)
Consolidated operating income	$1,057.5	$ 992.6	$ 879.8
Identifiable assets at year-end:			
Soft drinks	$3,009.6	$2,670.6	$2,521.4
Foods	460.0	431.9	380.4
Entertainment	1,615.4	1,394.0	1,309.8
Corporate assets (principally marketable securities, investments and fixed assets)	873.1	731.3	476.2
Discontinued operations	—	—	235.5
Consolidated assets	$5,958.1	$5,227.8	$4,923.3
Capital expenditures (including fixed assets of purchased companies):			
Soft drinks	$ 294.6	$ 237.6	$ 249.5
Foods	39.9	45.1	53.7
Entertainment	31.2	72.9	53.9
Corporate	25.1	28.0	24.6
Consolidated capital expenditures	$ 390.8	$ 383.6	$ 381.7
Depreciation and amortization of goodwill:			
Soft drinks	$ 127.0	$ 120.4	$ 117.6
Foods	27.4	25.2	20.8
Entertainment	17.6	15.7	7.6
Corporate	11.3	8.8	7.6
Consolidated depreciation and amortization of goodwill	$ 183.3	$ 170.1	$ 153.6

Net Operating Revenues
($ Millions)



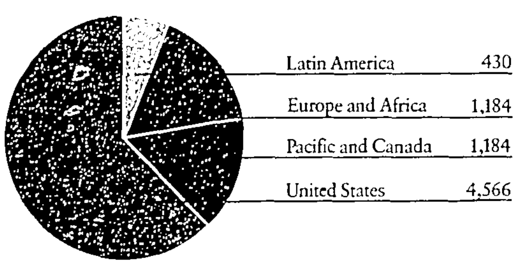
Operating Income
($ Millions)



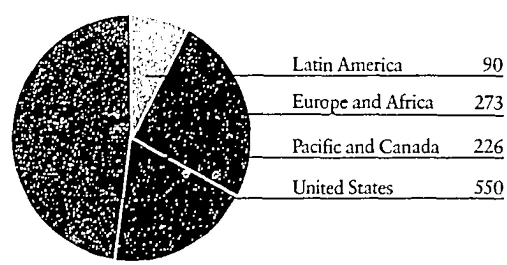
14. Operations in Geographic Areas. Information about the Company's operations in different geographic areas is presented below (in millions). Intercompany transfers between geographic areas are not material.

Year Ended December 31,	1984	1983	1982
Net operating revenues:			
United States	$4,566.4	$4,071.4	$3,351.5
Latin America	429.6	401.3	516.3
Europe and Africa	1,183.8	1,225.6	1,155.6
Pacific and Canada	1,184.2	1,130.7	997.7
Consolidated net operating revenues	$7,364.0	$6,829.0	$6,021.1
Operating income:			
United States	$ 550.2	$ 498.7	$ 403.2
Latin America	89.6	69.4	123.2
Europe and Africa	272.5	295.4	249.5
Pacific and Canada	226.1	207.0	177.8
General expenses	(80.9)	(77.9)	(73.9)
Consolidated operating income	$1,057.5	$ 992.6	$ 879.8
Identifiable assets at year-end:			
United States	$3,575.5	$2,996.5	$2,773.2
Latin America	409.8	420.9	435.9
Europe and Africa	636.4	606.5	582.0
Pacific and Canada	463.3	472.6	420.5
Corporate assets (principally marketable securities, investments and fixed assets)	873.1	731.3	476.2
Discontinued operations	—	—	235.5
Consolidated assets	$5,958.1	$5,227.8	$4,923.3
Identifiable liabilities of operations outside the United States	$ 714.5	$ 652.0	$ 627.0

Net Operating Revenues
($ Millions)



Operating Income
($ Millions)



Report of Independent Accountants

Board of Directors and Shareholders
The Coca-Cola Company
Atlanta, Georgia

We have examined the consolidated balance sheets of The Coca-Cola Company and consolidated subsidiaries as of December 31, 1984 and 1983, and the related consolidated statements of income, shareholders' equity and changes in financial position for each of the three years in the period ended December 31, 1984. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the consolidated financial position of The Coca-Cola Company and consolidated subsidiaries at December 31, 1984 and 1983, and the consolidated results of their operations and changes in their financial position for each of the three years in the period ended December 31, 1984, in conformity with generally accepted accounting principles applied on a consistent basis.

Ernst & W

Atlanta, Georgia
February 1, 1985

Management is responsible for the preparation and integrity of the consolidated financial statements appearing in this Annual Report. The financial statements were prepared in conformity with generally accepted accounting principles appropriate in the circumstances and, accordingly, include some amounts based on management's best judgments and estimates. Financial information in this Annual Report is consistent with that in the financial statements.

Management is responsible for maintaining a system of internal accounting controls and procedures to provide reasonable assurance, at an appropriate cost/benefit relationship, that assets are safeguarded and that transactions are authorized, recorded and reported properly. The internal accounting control system is augmented by a program of internal audits and appropriate reviews by management, written policies and guidelines, careful selection and training of qualified personnel and a written Code of Business Conduct adopted by the Board of Directors, applicable to all employees of the Company and its subsidiaries. Management believes that the Company's internal accounting controls provide reasonable assurance that assets are safeguarded against material loss from unauthorized use or disposition and that the financial records are reliable for preparing financial statements and other data and maintaining accountability for assets.

The Audit Committee of the Board of Directors, composed solely of Directors who are not officers of the Company, meets with the independent accountants, management and internal auditors periodically to discuss internal accounting controls, auditing and financial reporting matters. The Committee reviews with the independent accountants the scope and results of the audit effort. The Committee also meets with the independent accountants without management present to ensure that the independent accountants have free access to the Committee.

The independent accountants, Ernst & Whinney, are recommended by the Audit Committee of the Board of Directors, selected by the Board of Directors and ratified by the shareholders. Ernst & Whinney is engaged to examine the consolidated financial statements of The Coca-Cola Company and consolidated subsidiaries and conduct such tests and related procedures as they deem necessary in conformity with generally accepted auditing standards. The opinion of the independent accountants, based upon their examination of the consolidated financial statements, is contained in this Annual Report.

Roberto C. Goizueta
Chairman, Board of Directors,
and Chief Executive Officer

M. Douglas Ivester
Senior Vice President
and Chief Financial Officer

February 1, 1985

Supplemental Information on the Effects of Changing Prices (Unaudited)

General. The following unaudited disclosures were prepared in accordance with standards issued by the Financial Accounting Standards Board and are intended to quantify the impact of inflation on earnings and production facilities. The inflation-adjusted data is presented under the specific price changes method (current cost). Only those items most affected by inflation have been adjusted; i.e., inventories, property, plant and equipment, the related costs of goods and services sold and depreciation and amortization expense. Although the resulting measurements cannot be used as precise indicators of the effects of inflation, they do provide an indication of the effect of increases in specific prices of the Company's inventories and properties.

The adjustments for specific price changes involve a substantial number of judgments as well as the use of various estimating techniques employed to control the cost of accumulating the data. The data reported should not be thought of as precise measurements of the assets and expenses involved, or of the amount at which the assets could be sold. Rather, they represent reasonable approximations of the price changes that have occurred in the business environment in which the Company operates.

A brief explanation of the current cost method is presented below.

The current cost method attempts to measure the effect of increases in the specific prices of the Company's inventories and properties. It is intended to estimate what it would cost in 1984 dollars to replace the Company's inventories and existing properties.

Under this method, cost of goods sold valued on the average method is adjusted to reflect the current cost of inventories at the date of sale. That portion of cost of goods sold valued on the LIFO method approximates the current cost of inventory at the date of sale and generally remains unchanged from the amounts presented in the primary financial statements.

Current cost depreciation expense is based on the average current cost of properties in the year. The depreciation methods, salvage values and useful lives are the same as those used in the primary statements.

The current cost of finished products inventory was approximated by adjusting historical amounts to reflect current costs for material, labor and overhead expenses as well as current cost depreciation, where applicable. The current cost

Statement of Income Adjusted for Changing Prices
(In millions except per share data)

Year Ended December 31, 1984	As Reported in the Primary Statements	Adjusted for Changes in Specific Prices (Current Costs)
Net operating revenues	$7,364.0	$7,364.0
Cost of goods and services (excluding depreciation)	3,924.4	3,938.9
Depreciation and amortization	169.5	227.4
Other operating expenses	2,214.2	2,214.2
Net of other (income) and deductions	(12.1)	(3.6)
Income from continuing operations before income taxes	1,068.0	987.1
Income taxes	439.2	439.2
Income from continuing operations	$ 628.8	$ 547.9
Income per share from continuing operations	$ 4.76	$ 4.15
Effective income tax rate	41.1%	44.5%
Purchasing power gain from holding net monetary liabilities in the year		$ 26.1
Increase in specific prices of inventories and property, plant and equipment held in the year		$ 44.7
Less effect of increase in general price level		184.5
Increase in specific prices over increase in the general price level		$ (139.8)
Estimated translation adjustment		$ (110.0)
Inventory and film costs	$1,081.7	$1,127.0
Property, plant and equipment—net	$1,622.6	$2,215.2

A significant part of the Company's operations is measured in functional currencies other than the United States dollar. Adjustments to reflect the effects of general inflation were determined on the translate-restate method using the U.S. CPI(U).

for inventories other than finished products was determined on the basis of price lists or appropriate supplier quotations and by other managerial estimates consistent with established purchasing and production procedures.

Since motion picture films are the result of a unique blending of the artistic talents of many individuals and are produced under widely varying circumstances, it is not feasible to develop the current cost of film inventories, particularly since the Company would rarely, if ever, attempt to duplicate an existing film property. In view of these considerations and as permitted by Statement of Financial Accounting Standards No. 46, film inventories have been valued on the basis of constant dollar equivalents. Direct supplier quotations, published price lists, engineering estimates, construction quotations, appraisals and published and internally developed indexes were the methods used to determine the current cost of property, plant and equipment.

Under current cost accounting, increases in specific prices (current cost) of inventories and properties held during the year are not included in income from continuing operations.

Income Taxes. Taxes on income included in the supplementary statement of income are the same as reported in the primary financial statements. In most countries present tax laws do not allow deductions for the effects of inflation.

Purchasing Power Gain. During periods of inflation, monetary assets, such as cash, marketable securities and accounts receivable, lose purchasing power since they will buy fewer goods when the general price level increases. The holding of monetary liabilities, such as accounts payable, accruals and debt, results in a gain of purchasing power because cheaper dollars will be used to repay the obligations. The Company has benefited from a net monetary liability position in recent years, resulting in a net gain in purchasing power. This gain does not represent an increase in funds available for distribution to shareholders and does not necessarily imply that incurring more debt would be beneficial to the Company.

Increase in Specific Prices. Shown separately are the total changes in current costs for inventories and properties, that component of the total change due to general inflation and that component of the change attributable to fluctuations in exchange rates.

Five-Year Comparison of Selected Supplemental Financial Data Adjusted for Effects of Changing Prices (In Average 1984 Dollars)
(In millions except per share data)

Year Ended December 31,	1984	1983	1982	1981	1980
Net operating revenues	$7,364.0	$7,119.6	$6,479.2	$6,508.6	$6,901.4
Current cost information:					
Income from continuing operations	547.9	505.9	426.4	392.3	331.2
Income per share from continuing operations	4.15	3.72	3.28	3.16	2.67
Increase in specific prices over (under) increase in the general price level, including translation adjustments	(249.8)	(240.0)	(199.1)	(236.3)	27.8
Net assets at year-end	3,424.3	3,757.3	3,891.8	3,581.7	4,010.4
Purchasing power gain on net monetary items	26.1	29.0	19.0	27.9	54.3
Cash dividends declared per share:					
As reported	2.76	2.68	2.48	2.32	2.16
Adjusted for general inflation	2.76	2.79	2.67	2.65	2.72
Market price per common share at year-end:					
Historical amount	62.375	53.50	52.00	34.75	33.375
Adjusted for general inflation	62.375	55.78	55.96	39.69	42.07
Average Consumer Price Index — Urban CPI(U) (1967 = 100)	311.1	298.4	289.1	272.4	246.8

Unaudited Quarterly Data
(For the years ended December 31, 1984 and 1983)

Quarterly Results of Operations
(In millions except per share data)

	Net Operating Revenues		Gross Profit	
	1984	1983	1984	1983
First quarter	$1,579.9	$1,483.5	$ 720.6	$ 664.2
Second quarter	1,926.3	1,780.0	906.9	808.4
Third quarter	2,074.1	1,832.6	937.4	827.4
Fourth quarter	1,783.7	1,732.9	806.2	756.3
	$7,364.0	$6,829.0	$3,371.1	$3,056.3

	Income From Continuing Operations		Net Income	
	1984	1983	1984	1983
First quarter	$ 138.0	$ 123.5	$ 138.0	$ 122.1
Second quarter	185.0	162.1	185.0	160.5
Third quarter	175.3	152.3	175.3	151.6
Fourth quarter	130.5	120.4	130.5	124.6
	$ 628.8	$ 558.3	$ 628.8	$ 558.8

	Income Per Share From Continuing Operations		Net Income Per Share	
	1984	1983	1984	1983
First quarter	$ 1.02	$ .91	$ 1.02	$ .90
Second quarter	1.40	1.19	1.40	1.18
Third quarter	1.34	1.12	1.34	1.11
Fourth quarter	1.00	.88	1.00	.91
	$ 4.76	$ 4.10	$ 4.76	$ 4.10

Board of Directors

Herbert A. Allen
New York, N.Y.
President and Chief Executive Officer,
Allen & Company Incorporated

Anne Cox Chambers
Atlanta, Ga.
Chairman,
Atlanta Newspapers

George S. Craft
Atlanta, Ga.
Retired

Charles W. Duncan, Jr.
Houston, Tex.
Private Investor

Richard J. Flamson III
Los Angeles, Calif.
Chairman, Board of Directors, and Chief Executive Officer,
Security Pacific Corporation and Security Pacific National Bank

Roberto C. Goizueta
Atlanta, Ga.
Chairman, Board of Directors, and Chief Executive Officer,
The Coca-Cola Company

Joseph W. Jones
Atlanta, Ga.
Senior Vice President and Assistant Treasurer,
The Coca-Cola Company

Donald R. Keough
Atlanta, Ga.
President and Chief Operating Officer,
The Coca-Cola Company

James T. Laney
Atlanta, Ga.
President,
Emory University

Donald F. McHenry
Washington, D.C.
University Research Professor of Diplomacy and International Affairs,
Georgetown University

James D. Robinson III
New York, N.Y.
Chairman, Board of Directors, and Chief Executive Officer,
American Express Company

James M. Sibley
Atlanta, Ga.
Partner in the law firm of King & Spalding

William B. Turner
Columbus, Ga.
Chairman, Board of Directors, and Chief Executive Officer,
W.C. Bradley Co. and
Chairman of the Board,
CB&T Bancshares, Inc.

James B. Williams
Atlanta, Ga.
President,
Trust Company of Georgia

George W. Woodruff
Atlanta, Ga.
Retired

R.W. Woodruff
Atlanta, Ga.
Director Emeritus,
The Coca-Cola Company

Corporate Officers

Roberto C. Goizueta
Chairman, Board of Directors, and Chief Executive Officer

Donald R. Keough
President and Chief Operating Officer

Sr. Executive Vice President

Claus M. Halle

Executive Vice Presidents

A. Garth Hamby
Ira C. Herbert

Senior Vice Presidents

Eugene V. Amoroso
H.T. Circuit
Brian G. Dyson
John W. Georgas
M.A. Gianturco
M. Douglas Ivester
Joseph W. Jones
Robert A. Keller
Earl T. Leonard, Jr.
Klaus Pütter
Douglas A. Saarel
Francis T. Vincent, Jr.
R. V. Waltemeyer

Vice Presidents

William W. Allison
Herbert A. Arnold
William R. Buehler
Robert L. Callahan, Jr.
Philip J. Carswell, Jr.
Lawrence R. Cowart
Sergio Dolfi
Murray D. Friedman
John J. Gillin
Robert D. Guy
W. Glenn Kernel
Gloria E. Lemos
S. W. Magruder
Alex Malaspina
Maury C. Roe
Carl Ware

M. Douglas Ivester
Chief Financial Officer

Robert A. Keller
General Coun[illegible]

Murray D. F[illegible]ma[illegible]
Treasurer

Philip J. Cars[illegible] Jr.
Controller

Donald R. Greene
Secretary

Executive Officers—Operating Units

North America Soft Drink Business Sector

Brian G. Dyson
President

International Soft Drink Business Sector

Claus M. Halle
President

Foods Business Sector

Eugene V. Amoroso
President

Entertainment Business Sector

Francis T. Vincent, Jr.
President

Common Stock
Ticker Symbol: KO

Common stock of The Coca-Cola Company, exceeding 130 million shares outstanding, is listed and traded on the New York Stock Exchange and also is traded on the Boston, Cincinnati, Midwest, Pacific, and Philadelphia Stock Exchanges. Outside the United States, the Company's common stock is listed and traded on the German exchange in Frankfurt and on Swiss exchanges in Zurich, Geneva, Bern, Basel, and Lausanne. There were 75,862 shareholders of record on December 31, 1984.

Cash Dividends
Dividends normally are paid on a quarterly basis, usually on the first day of April, July and October and on the fifteenth day of December. Management has recommended to the Board of Directors that they, as a matter of policy, increase the percentage of earnings reinvested in the business by raising dividends annually at a rate lower than the prior year's growth in earnings per share, thus decreasing over time the dividend payout ratio. This policy is fundamental in the Company's efforts to achieve its goal of enhancing its long-term growth prospects.

Annual Meeting
The Annual Meeting of Shareholders will be at 9:00 a.m. (local time), April 17, 1985, at the Corporation Trust Center, 1209 Orange Street, Wilmington, Delaware. Shareholders are cordially invited to attend.

Additional Company Information Sources
The Annual Report is only one of the sources of information available to Company shareholders, the investment community and the general public. The Company regularly distributes the following:

Progress Reports, issued periodically during the year, which contain quarterly financial results and other news about the Company.

Notice of Annual Meeting and *Proxy Statement*, furnished to each shareholder in advance of the Annual Meeting.

A copy of the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed with the Securities and Exchange Commission may be obtained without charge upon written request from the Shareholder Communications Department. There may be a small photocopying charge for any exhibits to those documents requested by a shareholder. Also available from the Shareholder Communications Department is the brochure, *Strategy for the 1980s*, a seven-point statement outlining the Company's business objectives for this decade and beyond. Additionally, a variety of informational booklets about the Company and its products are available on request, at no charge.

Corporate Offices
The international headquarters offices of The Coca-Cola Company are located at 310 North Avenue NW, Atlanta, Georgia 30313, (404) 676-2121.

Automatic Dividend Reinvestment Plan
All shareholders of record are eligible to participate in the Automatic Dividend Reinvestment Plan which offers a convenient, economical and systematic method of acquiring additional shares of the Company's common stock. Two major improvements recently were added to the Plan. Shareholders may now make optional cash payments of up to $60,000 per year as compared to the previous $3,000 per quarter limitation. This change provides shareholders additional opportunity for cash investment in the Company and offers increased flexibility with respect to the timing of such investments. Shareholders also have the option of including less than the full number of their shares in the Plan by designating a specific number of shares they wish to have included. Dividends from shares not included in the Plan are forwarded directly to shareholders who wish to maintain dividend income.

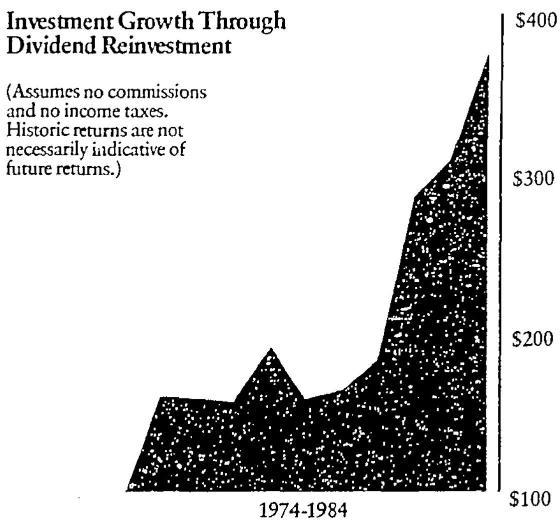
Stock Market Information

The NYSE high, low and last trade (or closing) prices of each quarter for the past three years are as follows:

	1984			1983			1982		
	High	Low	Close	High	Low	Close	High	Low	Close
First Quarter	$55.75	$49.00	$54.875	$54.75	$45.50	$53.50	$36.875	$29.75	$32.75
Second Quarter	59.875	53.125	57.625	57.375	49.375	49.875	36.00	31.875	33.75
Third Quarter	64.375	57.00	62.625	53.625	45.625	50.875	44.25	33.375	40.50
Fourth Quarter	66.00	59.75	62.375	57.50	50.75	53.50	53.625	40.375	52.00

The Company pays all service charges and brokerage commissions associated with participation in the Plan. Since fractional shares are credited to your account, your investment dollar is fully utilized. Also, the Plan offers the opportunity to invest on a regular basis with the benefits associated with dollar cost averaging. Purchases of the Company's common stock are made quarterly with dividends and monthly with optional cash payments by the Plan Administrator, Trust Company Bank. A schedule of the timing for these purchases is included in the Plan brochure, which is available upon request.

The chart below illustrates the 10-year growth in value of common stock of The Coca-Cola Company with dividends reinvested. One hundred dollars invested in Company stock on December 31, 1974, with dividends reinvested would have grown to over $373 by December 31, 1984, an average compound return of 14 percent. Over one-third of this increase in value comes from the increase in the number of shares owned as a result of dividend reinvestment.



Complete information about the Plan may be obtained by writing to the Shareholder Communications Department.

Inquiries and Assistance
Inquiries and requests for assistance should be directed to the departments listed below:

Shareholder Assistance
Shareholder Communications Department
The Coca-Cola Company
Post Office Drawer 1734
Atlanta, Georgia 30301
(404) 676-2777

Security Analysts Assistance
Investor Relations Department
The Coca-Cola Company
Post Office Drawer 1734
Atlanta, Georgia 30301
(404) 676-5766

Change of Address or Corrections
Please direct address changes and all inquiries concerning the way your account is listed to:

Trust Company Bank
Corporate Trust Department
Post Office Box 4625
Atlanta, Georgia 30302

Transfer Agents & Registrars
Trust Company Bank
Post Office Box 4625
Atlanta, Georgia 30302

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015

Dividend Disbursing Agent
Trust Company Bank
Post Office Box 4625
Atlanta, Georgia 30302

Equal Opportunity Policy

The Coca-Cola Company reaffirms its long-standing commitment to equal opportunity and affirmative action. This commitment is an integral part of our corporate environment. The Company strives to create a working environment free of discrimination and harassment with respect to race, sex, color, national origin, religion, age, handicap, or being a veteran of the Vietnam era, as well as to make reasonable accommodations in the employment of qualified individuals with disabilities.

The Company is pleased to report that as a result of its ongoing equal opportunity efforts, minority and female representation has continued to increase. Employment, training and advancement efforts made during 1984 and prior years have resulted in a multicultural work force which reflects the outside labor market.

In addition, the Company actively seeks to provide fair marketing opportunities to all suppliers of goods and services and has instituted special programs to increase transactions with firms in the United States that are owned and operated by minorities and women.

The Coca-Cola Company
P.O. Drawer 1734
Atlanta, Georgia 30301